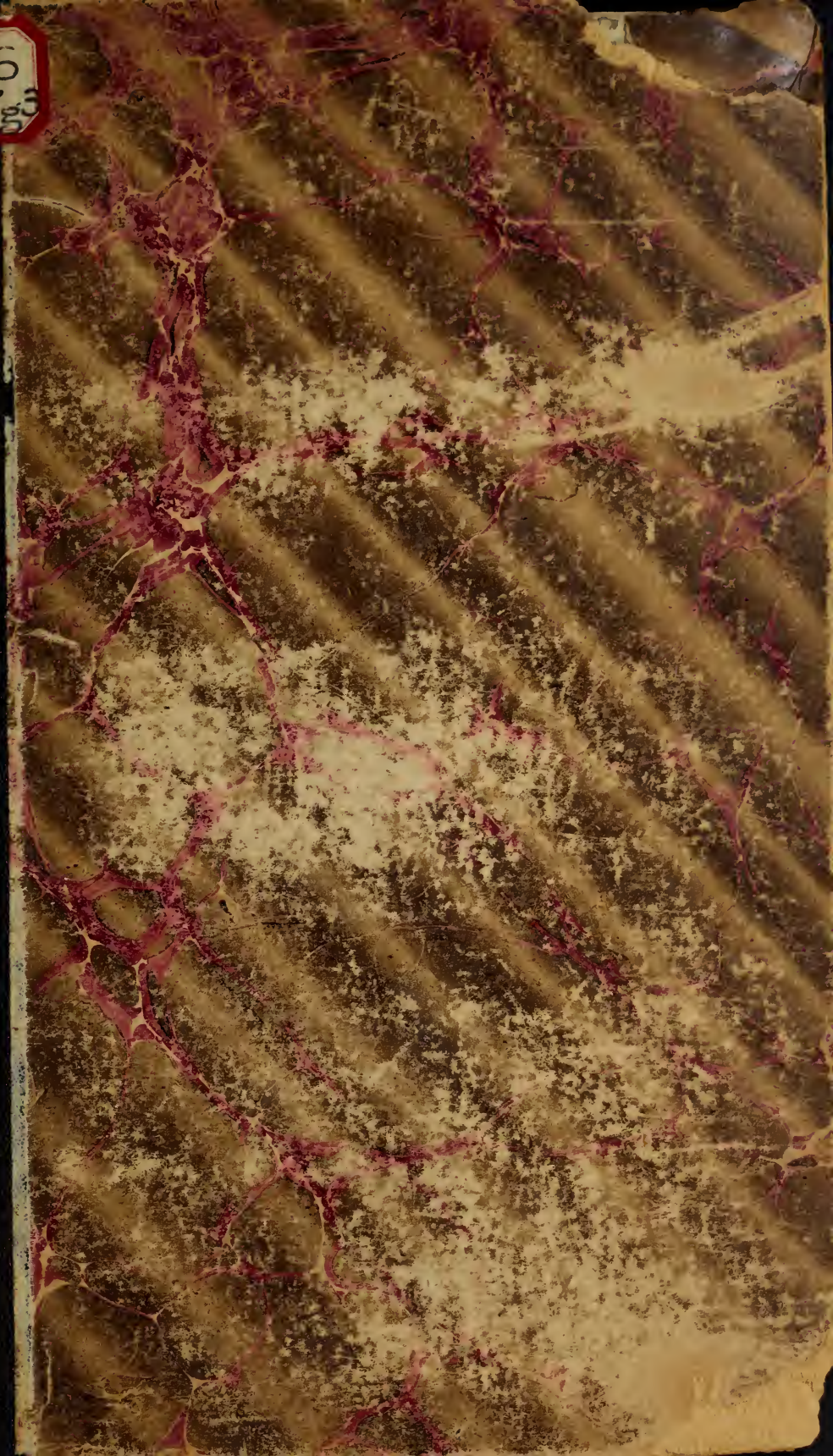


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ECONOMICS
DEPARTMENT

GUARANTEED SECURITIES:

FIFTH

MERITS AS INVESTMENTS

CONSIDERED.

BY

JOHN WHITEHEAD,

OF THE STOCK EXCHANGE, LONDON.

AUTHOR OF 'THE KEY TO RAILWAY INVESTMENTS,' ETC. ETC.

"Mark what I say; which you shall find
By every syllable a faithful verity."

THIRD EDITION.

LONDON.

PRINTED FOR, AND TO BE HAD OF, THE AUTHOR,
2, ROYAL EXCHANGE BUILDINGS,

AND

LEFFINGHAM WILSON, ROYAL EXCHANGE.

1855.

Price 2s. 6d.

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INTRODUCTION.

THE late Lord Chancellor (Lord Cranworth) and the Lords Justices, in the Great Northern Appeal Case, having affirmed the judgment of Vice-Chancellor Wood, and so settled now and for ever the great question of right between the Guaranteeing and the Guaranteed ; furthermore, the accounts of the Railway Companies to the end of the financial year of 1857 having been published ; the period seems especially suited for the resuscitation of that one of my works which was devoted to the question of the preference, as investments, which should be given to Railway over Government Guarantees,—a work which, when published in 1848, passed rapidly through several editions, but fell out of print in 1852, when ill-health interfered to prevent me giving to it that constant attention which, to keep it in continuous existence, its ever-changing materials required.

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The title of that publication was "Railway and Government Guarantee : Which is Preferable ?" and to the consideration of that single question the work itself was confined. Further experience has satisfied me that I might with far more advantage embrace a wider field of inquiry, and I have done so now, by gathering together in these pages every Guaranteed Railway, Gas, Canal, or other Security, the particulars of which I could with any approach to accuracy collect, coupling with them such explanatory details as in my judgment tend to elucidate their merits as investments : hence the alteration in my title, and the more general character of my present over my past work.

Before proceeding, however, with these particulars, I trust I may be forgiven the egotism of drawing attention to the manner in which I expressed myself in my former publication, on the measure of right

which at that time I considered attached to Preference Shares as a property, the period when I did so being one when doubt alone surrounded them :—

“Preference Shareholders appear to be creditors possessing equitable but not legal rights. For example, the Preference Shareholder could not recover his Preference Dividend by action in a Court of Law, but he could enforce his rights in a Court of Equity to the utmost, provided the surplus revenue (profits), from which alone the Preference interest can be obtained, were improperly withheld, or diverted into other than legitimate channels not comprehended within the Company’s Acts of Parliament. Thus, the Directors could not, to deprive the Preference Shareholder of his proportion of the surplus revenue, expend the same in the construction of steam boats or the building of a church, neither of them being sanctioned by the Company’s Acts, though the Directors might apply such surplus to the purchase of locomotives. Neither could they carry his proportion of the surplus profits to a ‘rest’ fund. The Preference Shareholder is a creditor, and must be satisfied before surplus revenue can be set apart for future ends. If there be surplus revenue he must be paid his pre-agreed and just claim, or he can enforce his payment in a Court of Equity, by compelling the directors to account. Opinions are divided as to the Preference Shareholder having claim on the succeeding year’s revenue for defalcations in the previous year’s. Where, as with the Great Northern B shares, the Act of Parliament states the Preference shall accrue *on the profit made within the year*, it is clear that if the £6 per cent. guaranteed in that case by the A holder to the B holder be not earned in any single year, the profits of the succeeding years cannot be held liable for the short reckoning of the bygone year. Generally speaking, the Preference Share is created with the right at ‘*per centum per annum*,’ which, if it mean anything, establishes an account, and if the revenue of any one year be unequal to the Preference claims on it, the next, or following years, must stand debtors—the ledger account showing a credit which has not been satisfied.”

Knowing, as I well do, that numbers of persons of small and of great means, were led to invest in Guaranteed and Preference Stocks on the strength of the above quoted opinion, I recur to that item of

the past with feelings of much pride ; pardonable, however, when it is recollected that every word which I used in 1848, has, in 1858, become standard authority, and that every investment then made was doubtless well made.

The judgment in the Great Northern suit may aptly be considered the Preference Shareholders' Declaration of Rights, and so esteeming it, I have given it place at the end of these pages. I have published it without curtailment, thinking so important a document was worthy of especial and honoured charge in a work devoted, as this is, to the consideration of the vital questions involved in that judgment. I recommend its careful perusal to every interested party.

With such a recognition of Preference rights in their possession as that judgment contains, Preference Shareholders may for the future rest in peace. No more suits in Courts of Equity will be undertaken to cripple Preference rights, and if the Legislature will hereafter reject all appeals made to it to alter Preference Share contracts, the repudiator will hide his robber-head, and Preference Securities, as they should, will be amongst the most stable in the kingdom.

Railway repudiation is not, as many imagine, of Great Northern parentage, and though the South Yorkshire Company have good reason to think that Company to be a too willing disciple of the repudiating school, as a matter of history it should be recorded that the Caledonian Company was the first to try its canny hand at the game,—with what success the so-called “Caledonian Arrangement Act,” which received the Royal assent on the last day of the Session of 1851, is the answer. Whether that Act, which authorised contracts to be altered in a wholesale manner, to the prejudice of great numbers of persons, is not a blemish on the Statute Book and a stain on the Caledonian Company, differences of opinion may exist, as the interest of parties was advanced or damaged by its provisions ; as a question of abstract justice, however, there can be but one opinion, that a great moral wrong was committed by the Legislature when it passed such an Act of spoliation as the “Arrangement Act” really was.

It has been alleged (some Railway “Pepys” will hereafter say with what truth) that the plea of overhanging insolvency, which was set up by the promoters of the “Caledonian Arrangement Act” was a sham and deceit practised on Parliament. This insinuation is certainly

countenanced by the startling fact that the so-called Bankrupt Company commenced, from the end of 1851, to pay Dividends on its whole Capital, and has continued to do so half-year by half-year ever since. True, the Dividend on the unguaranteed Capital to the end of 1851 (the "Arrangement Act" bears date 7th August of that year) was a modest 10s. per cent. ; it has, however, mounted higher and higher since, until the Company was rich enough to divide £131,011 on the past year's business ($4\frac{1}{4}$ per cent. on the year), the rate for the half-year to 31st January, 1858, having been 5 per cent. per annum!!

The actual despoilment the Guaranteed interests by way of "arrangement" had to endure was £33,078 per year, less the value of the ordinary stock which was given as compensation.

Bankrupt traders have been known, after years of hard toil, to recall their bankruptcy, and redeem their good name by honourably paying the principal and interest of engagements which in their day of honest suspension, the law had mercifully absolved them from. Surely the Caledonian Company in this, the time of its high prosperity,—a prosperity to an unjustifiable extent obtained at the cost of those who had placed confidence in the integrity of their bargains,—might, with equal credit, follow so noble an example. Alas! it will be said that "a Company has no conscience:" this rule may, however, have its exception in the Caledonian, and if this be so, the Directors can show their sorrow for the past by at once seeking (Parliament would accommodate them by suspending its standing orders) a repeal of that Act which "whitewashed" the Company from engagements which never should have been altered. Though the law has absolved the Company from their many bonds, honour and justice have not ; on the contrary they call on them, by all that is sacred, to re-acknowledge their obligations, now that prosperity has taken the place of real or assumed adversity. The cost of such honesty would be but a trifle taken from their Dividend fund.

The decision of the Court of Chancery having raised Preference Share engagements into debts, to be liquidated out of the first available profits of the Assuring Companies, the basis on which those engagements rests, compared with that they occupied previously to that decision, has been materially widened. The law now rules (unless specially guarded otherwise) that if one year's profits are not equal

to the payment of the stipulated interest, the default made will fall on succeeding years. A ledger account will, in fact, be established; and whenever an unliquidated balance is shown, the same must be carried forward as a debit against future profits, to be satisfied out of them before the unguaranteed Shareholder can pass one penny into his own pocket. If maliciously disposed, the worst the latter can do is to apply profits to Capital expenditure; but this, though legal, would be too openly dishonest to be carried to any injurious extent; such a contingency is, in truth, too remote to be worthy of serious consideration in the dry question of investment. Where, therefore, sufficient profits are made to satisfy the claim of the Preference Shareholder, his position varies but little from that of the Guaranteed Shareholder. The real difference lies in this, that whereas the former can only look to profits for the satisfying his claim; the latter can look to property, and can enforce his right at law. In a word, the Preference exists as a claim which *may* be enforced, its character is passive; the Guarantee exists in the nature of a demand which *must* be met, its character is active. The former Shareholder is dependent, and *must wait*; the latter is independent, and *may act*.

Having thus defined as concisely and clearly as I can do the difference between the two descriptions of security, I proceed to explain the manner and matter of the present work.

Immediately following the Government or National Securities will be found a schedule of such Foreign Railway obligations as find place on the Stock Exchange Official List, and then (alphabetically arranged) all the particulars that could be gathered of the Guaranteed and Preference Securities which appertain not only to English, Colonial, and Belgian Railways, but Canals, Water-Works, Docks, and other like domestic interests. For more easy reference it has been thought better to mix the whole of the foregoing medley in one lot, rather than split them up into as many separate classes as they exist in as properties. The whole are carefully indexed.

Where it is possible to do so the distinctive term "Guarantee" or "Preference" is prefixed, and the better to assist the investor's judgment, the Dividend paying quality of each Guaranteeing property is distinctly noted. The various Preference Securities are also set forth with as much accuracy as possible, in the order of precedence

they bear to each other, and against every one its own annual claim on profits is stated. The investor will thus see at a glance the amount of Cover the past year's traffic gave to the respective Guaranteed and Preference Stocks, and as the margin is more or less in their favour, will measure their merits as investments accordingly.

Having explained the method of arrangement, I proceed, with the view of demonstrating the higher income value of Railway Guaranteed over National Guaranteed Stocks, to show what £1,000 invested in the one and the other would produce. The quotations which follow are in each case those which ruled on the Stock Exchange on one and the same day, 10th May, 1858.

Name of Security.	By whom Guaranteed.	Price per cent. on the day named.	Income per year at the price quoted.	Remarks.
Consols, 3 per cent.	Government . . .	97 $\frac{1}{2}$	30 14 2	{ Interest reducible at the will of the Legislature.
Buckinghamshire, 4 per cent. . . }	London & North Western	Par	40 0 0	
Preference 5 per cents.	London & Brighton .	120	41 13 4	{ Perpetual, no power to redeem existing in the Companies.
„ 7 „	London & South Western	165	42 8 4	
„ 5 „	Great Northern . .	120	41 13 4	
„ 4 „	North Eastern (Berwick)	99	40 7 6	
„ 6 „	Lancashire & Yorkshire	142	42 5 0	
„ 4 „	Midland (Bradford) .	99	40 7 6	

The difference in annual income on £1,000 invested in the highest priced of the above Railway Stocks over that to be obtained from a like sum in Consols, amounts, it will be seen, to £9 5s. 10d., a difference sufficient without further remark to induce inquiry by the Government Annuitant into the merits as investments of other Guaranteed Securities besides Consols.

The high price which first-class Guarantees maintained during the recent commercial panic, proves how firmly they are now held as com-

pared with the panic year of 1847, when 6 per cent. in perpetuity was with perfect ease obtained, against $4\frac{1}{2}$ per cent. in 1857.

The best selection of Guaranteed or Preference Stocks which an investor can make to choose from, is of those which have sound parent companies to back them. No conjuration is needed to make such selection; and then a mere acquaintance with relative merits and prices is all that is necessary to determine the ultimate choice.

Those Securities which possess the right to share in surplus profits, or carry an option of some kind or other with them, are especially worthy of attention. There is no knowing how valuable the "surplus profits" right, or the "option" may become as time advances. Some Securities so advantageously constituted, possess these advantages in one way, some in another. Examples will be found in the East Indian Railway Stocks, which, under certain contingencies, carry the right of taking to themselves surplus profits, and the further important power to call for repayment of the Capital, if adverse circumstances render such a course advisable. The North Eastern (Berwick) 4 per Cent. Stock is an example of another kind of attached condition; the right to convert the Preference into ordinary Stock at par at any time hereafter being part of the bargain. The Brighton 6 per Cent. Preference Stock has the right attached to it to share in all profits beyond; in the past half-year (end of 1857), the ordinary Brighton Stock having divided after the rate of 7 per cent., this Stock received at the same rate.

The foregoing are but a few illustrations of many like examples to be found in these pages.

Other classes of Guarantees exist, which may be redeemed at named standards, running from par to £50 premium per cent. The right to redeem in these cases rests with the Guaranteeing Companies; the objection, therefore, attaches to this class of Stock, that this right will be exercised when money is very cheap and permanent securities are dear. The same objection applies to Debentures, a falling value of money being ever against the holder, who, when the Debentures fall due, is forced into terms of renewal so low as to cripple his income considerably; or, at an inopportune period, he has to seek some other investment. Surely the perpetual unalterable Railway Guarantee is preferable to any investment such as the uncertain Stocks offer?

As a matter of guidance, it may be stated that rigid inquiry should be made by the investor respecting any Security which holds out the temptation of a higher than usual rate of return, before he is induced to purchase. He must think and think again before he commits himself, or he may discover, when Dividend time comes round, that he is minus income and temper too.

As respects Colonial and Foreign Bonds and other Securities, the particulars of which will be found in this work, the investor must not forget, where they are redeemable at stated periods, or by lot at par, and are purchasable only at a premium, that a redemption of premium fund should be established out of the obtained income ; otherwise, as but £100 will be repaid for that which may have cost the holder considerably more, he will find his capital, when the day of repayment arrives, very sadly encroached on. Canada Government 6 per Cents. may be taken as an example. Say the £100 Debenture costs £115, and has 20 years to run, it is self-evident that unless an amount be set aside year by year to meet the £15 premium, the holder will find himself, when the twenty years have run out, with but £100 to invest in place of £115. The £15 will, in fact, have been taken from his own capital, used as income, and be absolutely lost to him.

As every Railway Company will, as rapidly as it can do so, convert its Mortgage Debt into Debenture Stock, it is important that the legal powers under which the one will be extinguished and the other created should be understood.

As the most important of all the Railway Companies (the London and North Western) has a Stock of this character already existing, I proceed to set forth the clauses of that Company's Act which legalises the issue. On perusal, it will be seen that the provisions these clauses contain are such as to give the Debenture Stock every possible protection and security. The Act is 15 Vict. cap. cv.

“ X. That it shall be lawful for the Company from time to time, with the consent of three-fifths of the votes of the Shareholders present in person or by proxy at any General Meeting of the Company convened with due notice of that object, to resolve that any portion of the borrowed capital of the Company, or any debenture or other security for which or for the interest whereof the Company are lawfully liable,

then subsisting on the security of outstanding mortgages or bonds, not exceeding an amount to be defined in and by such resolution, may be converted into Stock of the Company of like amount, either by agreement with the holders of such mortgages or bonds respectively before the same respectively became due, or by paying off the same respectively when due, and issuing Stock of a corresponding amount, instead of reborrowing the sums so paid off; and also, with the like consent, from time to time, to resolve that the whole or any part, to be defined in and by such resolution, of the moneys which the Company shall have authority to raise by borrowing under the powers of any of their Acts, and which shall not then have been raised, shall or may be raised by the creation and issue of Stock of a corresponding amount, instead of borrowing the same; and also, with the like consent, to attach to the Stock so authorised to be created and issued for any of the purposes aforesaid a fixed and perpetual irredeemable yearly Dividend or interest at any rate not exceeding the rate of £3 10s. for every £100 thereof, payable in equal half-yearly portions; and it shall thereupon be lawful for the Directors of the Company to carry into effect such resolution or resolutions, by the creation and issue of so much Stock as may from time to time be necessary for that purpose, having such fixed rate of interest or dividend as aforesaid, and the Stock so created and issued shall be a charge upon the tolls and undertaking, and lands, tenements, and hereditaments of the Company, but shall be distributable, transmissible, and transferable, as and in other respects have the incidents of personal estate, and the said interest or dividend shall for ever have priority of payment over all other dividends on any other Stock or Shares of the Company, whether Ordinary or Preference, or Guaranteed, and the Stock when so created shall be termed '*London and North-Western Debenture Stock*;' provided that nothing herein contained shall in anywise prejudice or affect the rights of the holders of mortgages or bonds of the Company; provided also, that after the conversion of any such mortgages or bonds into stock it shall not be lawful for the Company to issue mortgages or bonds, or any other securities, or again to borrow the sum so converted, but the powers of borrowing by the Company shall, to the extent of the sums so from time to time converted into Stock, be extinguished."

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“XII. That if within thirty days after the dividend or interest on the said Debenture Stock has become payable, and after demand thereof in writing, the same be not paid, the proprietor or proprietors of such Stock, holding individually or collectively an amount in nominal value of £20,000 or upwards, may (without prejudice to his and their right to sue for the dividend or interest so in arrear in any Court of competent jurisdiction) require the appointment of a receiver, by an application to be made as herein-after provided.”

“XIII. That every application for a receiver in the cases aforesaid shall be made to two Justices ; and on any such application it shall be lawful for such Justices, by order in writing, after hearing the parties, to appoint some person to receive the whole or a competent part of the tolls or sums liable to the payment of such dividends or interest, until all the arrears of dividend or interest which may then be due on the said Stock, together with all costs, including the charges of receiving the tolls or sums aforesaid, be fully paid ; and upon such appointment being made, all such tolls and sums of money as aforesaid, shall be paid to and received by the person so to be appointed, and the money so to be received shall be so much money received by or to the use of the proprietors of the said Stock, or to the use of those of the proprietors to whom such dividends or interest shall be then due ; and so soon as the full amount of such dividends, interests, and costs has been so received, the power of such receiver shall cease : provided always, that such receiver shall distribute rateably and without priority, among all the proprietors of the said Stock to whom interest or dividends shall be in arrear, the tolls or moneys which shall so come to his hands.”

By the latest published Parliamentary Railways return (that for 1856), it appears that the total amount of Guaranteed and Preference Capital of all the Railways of the United Kingdom was £57,057,171, the aggregate annual interest guaranteed being £3,227,778. If to this great total the Capital which has been guaranteed by the East Indian and Colonial authorities be added, it will be seen that an interest bearing security of immense magnitude (£100,000,000 at least) has sprung up within the last twenty years, to become greater still as the formation of railways is encouraged in British dependencies. The amount of Foreign Guaranteed Railway Stock in English hands

cannot be estimated ; it must, however, be very considerable, and will doubtless swell into a great total, should money for any length of time become the comparatively valueless commodity it seems likely to.

In conclusion, I trust I may be permitted to indulge the hope that this present work may prove at least of as much actual utility to the investing classes, as I know my past one did when it was published. I desire earnestly and faithfully to point out to those who are seeking sound investments, where to find them ; the importance of such guidance to that large and really dependent class, from considerable experience, I know full well. I shall be disappointed if they do not find that guidance in these pages.

Finally, I should observe that this publication has been delayed until the last of the Half-yearly Railway Meetings had been held, and the accounts of the respective Companies for the year 1857-8 published. Further, that, in resuming that pen which indisposition compelled me in 1852 to lay aside, I do so hand-in-hand with my Son and associate in business, who has given me so much assistance in the compilation of this work as to have made it almost his own ; indeed, save these introductory remarks, the labour of seeking and putting together the materials, has been his ; the checking and supervising them the care of both. Responsible, therefore, as together we are, for the blemishes or the perfections of this publication, for myself and my son, as its joint authors, I respectfully solicit suggestions and corrections, so that the next edition we may publish may be perfect in information, and free from misdescription and error of every kind.

JOHN WHITEHEAD.

LONDON, 2, ROYAL EXCHANGE BUILDINGS, E.C.

12th May, 1858.

GOVERNMENT SECURITIES.

Stock, or other Security.	Nature of the Security	Assured rate of Interest per annum.	Dividends, when paid.
Consols . . . }	Redeemable . . . }	3 per cent.	January and July.
Reduced . . . }		3 „	April and October.
New 3 Per Cents. {	Not redeemable before October, 1874 . . }	3 „	„ „
New 2½ Per Cents. }	Not redeemable before January, 1894 . . }	2½ „	} January and July.
New 3½ Per Cents. }		3½ „	
New 5 Per Cents. {	Not redeemable before October, 1874 . . }	5 „	
Long Annuities . .	Expire 5th Jan., 1860	—	} April and October.
Annuities for 30 yrs.	„ 10th Oct., 1859	—	
„ „ „	5th Jan., 1860	—	} January and July.
„ „ „	„ 5th Jan., 1880	—	
„ „ „	„ 5th April, 1885	—	April and October.
Exchequer Bills . {	Interest reducible ; capital repayable . }	76s. „	—
„ „ {	Interest reducible ; capital repayable . }	60s. 10d. „	—
Excheqr. Bonds A {	The A Bonds will be due in May, 1862 . }	3¼ „	} May and November.
„ „ B {	The B Bonds will be due in May, 1859 . }	3½ „	
„ „ D {	The D Bonds will be due in May, 1860 . }	3½ „	
India Stock . . {	Redeemable at £200, per £100 Stock, in April, 1874 . . . }	10½ „	January and July.
„ Bonds . . {	Interest reducible ; capital repayable . }	4 „	April and October.
„ New Bonds {	Issued for 5 years, from 8th April, 1858 . }	4 „	„ „
Turkish 4 per Cent. Bonds . {	Guaranteed by England and France, should Turkey fail to pay }	4 „	„ „

FOREIGN RAILWAY BONDS.

The following Statement of Foreign Railway Obligations is made up from the Stock Exchange List. Those of French issue, the totals of which are set out as authorised, cannot be depended on, the several companies being allowed to extend them as new works are undertaken. The Bonds are redeemed by annual drawings.

Dividend paid on the Parent Stock in 1857, from the profits of 1856-7.	Name of Company.	Total sum authorised to be raised by Bonds.	Total sum known to be issued.	In Bonds, cash of the nominal value of	Rate of Interest per cent.	Redeemable	
						At per Bond	Year by year until
* nil . . . {	Antwerp and Rotterdam . }	£ 80,000	—	£ 40	5	£ 40	1865
15½ per cent. . {	Eastern of France	2,776,560	—	20	5	26	} 1952
	„ „	2,500,000	—	20	5	26	
†4 per cent.int. {	Great Central of France . . }	2,620,140	—	20	3	20	1953
	Great Central of France . . }	2,684,000	—	20	3	20	1959
nil . . . {	Great Luxembourg	453,248	—	4	5	5	1930
	„ „	500,000	—	20	5	25	
12 per cent. . .	Lombardo-Venetian	3,125,000	—	20	3	20	1946
†4 per cent. int. .	Lyons and Geneva	1,754,380	—	20	3	20	1954
£2 3s. 8d. per cent. {	Lyons and Mediterranean . }	2,400,000	—	20	5	25	1951
	Lyons and Mediterranean . }	3,646,660	—	20	3	20	1952
£14 per cent. . {	Northern of France	7,500,000	—	20	3	20	
	„ „	47,250	47,260	‡20	4	20	1869
	„ „	1,500,000	1,500,000	‡20	3	20	1926
	„ „	348,360	348,360	§ 20	3½	22½	1944
£16 4s. per cent. {	Paris and Lyons .	3,200,000	—	40	5	50	1905
	„ „	2,000,000	—	20	3	20	1955
†4 per cent. int. .	Southern of France	12,000,000	—	20	3	20	1955
8½ per cent. . {	Western and North Western of France . . }	12,000,000	—	20	3	20	1952

* The Antwerp Company, at their Meeting in April, 1858, divided 7 francs per Share.

† Four per cent. Interest during Construction.

‡ Boulogne and Amiens Bonds.

§ Charleroi and Erqueline Bonds.

GUARANTEED SECURITIES,

ETC. ETC.

ABERDARE RAILWAY.

This Line, under powers contained in the Act of Incorporation, has been leased to the Taff Vale Company in perpetuity, at £10 per cent. on the capital (£50,000).

The Taff Vale Railway Company pays the interest on the borrowed capital.

This Company exists as an independent body : its capital is represented by 1,000 shares of £50 each (*see* Taff Vale).

AMBERGATE, NOTTINGHAM, BOSTON, AND EASTERN JUNCTION RAILWAY AND CANAL.

This Railway is worked by the Great Northern Company on the following terms :—they allow interest on the value of the Ambergate Rolling Stock, and pay over to the Ambergate Company 70 per cent. of the gross earnings, if they do not exceed £37,000 per year, and 65 per cent. when they exceed that sum. The Great Northern have reserved to themselves the right to lease the property in perpetuity at 4 per cent. on the expended capital, provided they make their election to do so before 31st March, 1859, or at $4\frac{1}{4}$ per cent. if the option be not exercised before 31st March, 1864. Or the Great Northern may amalgamate the Ambergate Stock with their own at par; and so become the complete owners. Should no arrangement be effected the lease will end 31st March, 1865.

The ultimate Share Capital of this Company will be £845,000, and the Loan Capital will be limited to £155,000 ; for this total of £1,000,000 the Company will be the proprietors of one Railway and two Canals. The results of the Great Northern working the Railway, and of the Canals' independent traffic, admitted of a dividend after the rate of £3 per cent. in 1857 (2s. 9d. and 3s. 3d. per £10 share).

ARBROATH AND FORFAR RAILWAY.

This Line has been leased by the Scottish North Eastern (Aberdeen) Company in perpetuity, at a rent equal to $5\frac{1}{4}$ per cent. per annum (£12,093) on the cost (£230,360), and the right to half surplus profits. The working rate is fixed at not exceeding $33\frac{1}{3}$ per cent. of the gross earnings, and the result is, that £1,087 12s. 6d. was paid over in addition to the rent for the year to 8th March, 1858.

The Company's rent receiving capital of £230,360 is represented by—

£70,000	in shares of £25 each
£90,000	in half shares of £12 10s. each.
£33,931	in shares of £6 5s. each.
£29,310	in shares (fifths) of £5 each.
<hr/>	
£223,241	
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The Dividend declared for the year on the above Share Capital from the profit rental to 8th March, 1858, was $5\frac{3}{4}$ per cent., or £12,415.

ASHTON OR SHEFFIELD CANAL.

This undertaking has been leased by the Manchester, Sheffield, and Lincolnshire Railway Company at £12,363 15s. 0d. per year. The capital is represented by—

£172,304 in 1,760 shares of £97 18s. 0d. each. The Rent admits of £7 per share being paid, less the attendant expenses, to meet which £43 15s. 0d. remain.

BAHIA AND SAN FRANCISCO RAILWAY (LIMITED).

This Company is constituted under decrees of the Emperor of Brazil and laws of the Imperial Brazilian and Bahian Provincial Legislatures. The grant of the Railway is in perpetuity, with a guaranteed minimum interest of 7 per cent. per annum on the fixed capital for ninety years ; 5 per cent. by the Imperial Government, and 2 per cent. by the Bahian Provincial Legislature. The profits up to $7\frac{3}{4}$ per cent. to pass to the Company ; all beyond to be divided with the Government.

The capital is represented by

£1,800,000, in shares of £20 each. The works, including 7 per cent. per annum during construction, are stated to be taken by a competent contractor within the capital. Interest will be paid in London half-yearly.

The Company are guaranteed against competition during ninety years within a breadth of forty miles ; possess the right to all minerals, precious stones, and diamonds within the same breadth of territory. Also, to import free of duty all necessary machinery and plant during construction, and for ten years after completion ; coal for sixty years ; together with a grant of all Government and escheated land and property required for the Railway.

The Government has reserved the power to purchase the line at the end of thirty years, paying over to the Company such an amount of Brazilian Stock, as will give a rental equal to the mean *net* revenue during five most lucrative of the preceding seven years, arising either from the Railway itself or the interest guaranteed.

BANGOR AND CARNARVON RAILWAY.

This Line is leased to the Chester and Holyhead Railway Company in perpetuity at a fixed annual rental of £6,400.

No particulars of the Share Capital can be given.

BEDFORD AND BLETCHLEY RAILWAY.

This Line has been leased by the London and North Western Railway Company, on a guarantee of 4 per cent. per annum, and half surplus profits. The larger proportion of the Capital is held by the London and North Western Company, £48,900 only being in the hands of the public. The annual rent is £1,936.

The London and North Western manages this Company's business, paying dividends, &c. Its capital is represented by—

£125,000, in shares of £50 each. (*See LONDON AND NORTH WESTERN.*)

BERKS AND HANTS EXTENSION RAILWAY.

The Great Western Railway Company, under arrangements with the proprietors of the late London, Newbury, and Bath Company, have guaranteed 5 per cent. per annum in perpetuity to the holders of £59,392 capital. The guarantee takes rank next after the mortgages of the Great Western Company.

This Company's affairs are managed by the Great Western Railway Company ; its capital exists nominally as £500,000, in shares of £50 each ; it is, however, really but £59,392 in shares, with £6 called up. No further sum can be called for, the Line being abandoned.

£59,392, in shares of £6 each. (*See GREAT WESTERN.*)

BIRMINGHAM CANAL.

The London and North Western Railway Company lease this Canal at an annual rent of £31,358, which is equal to 4 per cent. on the original Capital of £783,943, raised in 19,660 shares of £39 17s. 6d. each. (*See LONDON AND NORTH WESTERN.*)

BIRMINGHAM, WOLVERHAMPTON, AND STOUR VALLEY RAILWAY.

The London and North Western Railway Company has leased this line at an annual rent, at the rate of two-thirds of the dividend paid by the London and North Western Railway Company on its own stock.

The Capital Stock is £760,350, raised in shares of £13 14s. each. (See LONDON AND NORTH WESTERN.)

BLACKBURN RAILWAY.

This Company has incurred the following obligation :—

PREFERENCE.

ANNUAL CHARGE.

£209,539—Entitled to 6 per cent. per annum in perpetuity.

The undertaking has not been sufficiently prosperous to meet this engagement, and an accumulated debt of £7 10s. per share of £25 is understood to exist £12,572

The unguaranteed Capital amounts to £460,688, and the balance to the credit of revenue, on the 31st December, 1857, amounted to £12,985.

On the 18th November, 1857, an agreement was sealed by the Blackburn, and the Lancashire and Yorkshire, and the East Lancashire Companies, to legalise which an Act is expected to be passed this Session (1858). The following is an outline of the agreement :—

The Blackburn Loan Debt to be fixed at its present amount	£333,000
„ Preference Capital, now £209,539, to be	209,675
„ Share Capital, including £60,071 arrears of Dividend on Preference Capital, to be	516,671
„ Company to receive £69,000 to cover liabilities, and £5,000 for surplus lands	74,000
„ Company to be dissolved.	

That, until the Act of Parliament is obtained, the two Companies shall pay to the Blackburn Company at the rate of $4\frac{1}{2}$ per cent. per annum on £333,000 (Loans), and £74,000 (Liabilities), the Blackburn Company being liable for any excess.

That 5 per cent. per annum shall be paid on the Preference Capital from 1st January, 1858, by the two Companies in perpetuity, unless they shall pay off the capital within two years from the passing of the Act, which they have reserved the right to do.

That the £60,071, arrears of interest capitalised, shall be apportioned amongst the Blackburn Preference Shareholders.

That the Share Capital of £516,671 shall receive from the two Companies : 1 per cent. for the year 1858 ; $1\frac{1}{2}$ per cent. for the year 1859 ; 2 per cent. for the year 1860 ; $2\frac{1}{2}$ per cent. for the year 1861 ; and so in perpetuity afterwards, subject to the two Companies having the right to pay off the same at 10s. in the £1, within five years from the passing of the Act.

BLYTH AND TYNE RAILWAY.

This Company has incurred the following obligation :—

PREFERENCE.

ANNUAL CHARGE.

£50,000—Entitled to 10 per cent. per annum, and to share in surplus profits, when the unguaranteed Capital divides more than 10 per cent. The shares (£25 each) cost the proprietors £50, practically therefore the Preference is 5 per cent. on the amount really paid	£5,000
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The unguaranteed Capital when all called up, will amount to £210,000. Judged by the sum which was divided on the half-year to 31st December, 1857 (£5,635, or 7 per cent. per annum), the amount actually paid up must be £161,000. The accounts are not rendered sufficiently clear to show this: there is the less reason for obscurity, the undertaking being a highly prosperous one. On the half-year to 31st December, 1857, the sum divided was

£5,635

BRISTOL AND BIRMINGHAM RAILWAY.

This Line was originally leased to the Midland Railway Company, but, under powers contained in 9 & 10 Vic. cap. 326, the Company has merged into and become 6 per cent. Preference Shareholders of the Midland Company.

This Company's affairs are managed by the Midland Company in all respects. The Capital exists as—

£1,799,903—"Bristol and Birmingham 6 per cent. Stock in the Midland Railway." (*See MIDLAND.*)

BRISTOL AND EXETER RAILWAY.

This Company has incurred the following obligations :—

GUARANTEE.

ANNUAL
CHARGE.

Somerset Central Railway.—This Line is leased by this Company until August, 1861, at an annual rent of	£3,800
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PREFERENCE.

£1,977,540—Entitled to 4 per cent. in perpetuity, and is termed "4 per Cent. Preference Stock." The amount created was £2,000,000: prior, however, to the right to convert into ordinary Stock ceasing (1st January, 1858), £22,460 had been converted. The ultimate annual charge will be £79,102: as, however, but £765,254 had been called up on 31st December, 1857, of which £22,460 had been converted, the present charge is on £742,794, or £30,610

The unguaranteed Capital to 31st December, 1857, amounted to £2,000,000, on which Dividends out of the profits of 1857 were paid, at the rate of 5 per cent., or . £100,000

The unguaranteed Capital will hereafter amount to £2,022,460.

BUCKINGHAMSHIRE RAILWAY.

This Line is leased in perpetuity to the London and North Western Company, on a guarantee of 4 per cent. per annum on the cost, and half the surplus profits.

The amount of Stock entitled to this 4 per cent. is £1,245,000, the annal rent is therefore £49,800.

This Company maintains an existence independent of the London and North Western Railway Company (which see).

CALEDONIAN RAILWAY.

This Company has incurred the following obligations :—

GUARANTEES.

ANNUAL CHARGE.

Glasgow, Garnkirk, and Coatbridge Railway.—This Line has been leased in perpetuity at a rental equal to 8 per cent. per annum on £156,355; termed “Glasgow and Garnkirk”	£12,508
Clydesdale Junction Railway.—This Line has been leased in perpetuity at an annual rental equal to 4½ per cent. on £450,000; termed “Clydesdale Guaranteed Stock”	20,150
Greenock Railway.—This Line has been leased in perpetuity at an annual rental equal to 3 per cent. on the £500,000 “Greenock Guaranteed Stock,” and 5 per cent. on the £150,000 “Greenock Preference Stock”	22,500
Wishaw Railway.—This Line has been leased in perpetuity, at an annual rental equal to 7½ per cent. on £240,000 “Wishaw Stock”	18,900
Glasgow, Barrhead, and Neilston Direct Railway.—This Line has been leased in perpetuity at an annual rental nearly equal to £4 ls. 10d. per cent. on £275,000 “Stock”	11,250
Total Guarantees	<u>£85,408</u>

PREFERENCE.

ANNUAL
CHARGE.

£745,180—Entitled to $4\frac{1}{2}$ per cent. per annum in perpetuity: as, however, the right is limited to the profits of each half-year, and not beyond, it should be considered as a $2\frac{1}{4}$ per cent. per half-year Stock; termed " $4\frac{1}{2}$ per Cent. Preference Stock"	£33,533
40,000—Entitled to 4 per cent. per annum in perpetuity; termed "4 per Cent. Preference Half Shares" .	1,600
135,000—Entitled to 5 per cent. per annum in perpetuity; termed "5 per Cent. Preference Quarter Shares" .	6,750
375,000—Entitled to 5 per cent. per annum in perpetuity; termed "5 per Cent. Preference Quarter Shares, No. 2." The ultimate annual charge will be £18,750: as, however, but £307,000 had been paid up to 31st January, 1858, the present charge is	15,350
	Total Preference <u>£57,233</u>

The unguaranteed Capital entitled to Dividends amounted on 31st January, 1858, to £3,212,396: as, however, the Company owns £126,879 of this amount, Dividends were paid only on £3,085,517. The average paid was $4\frac{1}{4}$ per cent. on the year, and the actual amount disbursed £131,011

The Capital entitled to Dividend on the half-year, to 31st July, 1857, differed from that on 31st January, 1858, hence the apparent discrepancy in the total sum which was divided on the year, as compared with the Capital which received it.

CANNOCK MINERAL RAILWAY.

This Line is under a working arrangement with the North Staffordshire Company, by which the latter undertakes to work and keep it in order for 50 per cent. of the gross receipts—such an interchange of traffic to take place as to ensure $4\frac{1}{4}$ per cent. per annum to the capital of this Company (£112,000), if Parliament do not sanction

the lease, or £96,000 if sanctioned. The $4\frac{1}{4}$ per cent. to be allowed on any further outlay approved by the North Staffordshire Company—surplus profits beyond $4\frac{1}{4}$ per cent. to be equally divided. The created capital appears to be £160,000, in shares of £10 each.

The engagement forms no present charge on the North Stafford-Company, the Line, it is presumed, being incomplete.

CEYLON RAILWAY.

This Line has been guaranteed 6 per cent. per annum on a capital of £800,000 by the Colonial Legislature, and 5 per cent. on any further capital. The engagement on both sides resembles that made by the Honourable the East India Company with the East Indian Railway Companies (which see). The Capital is represented by—

£800,000, in shares of £20 each.

CHESTER AND HOLYHEAD RAILWAY.

This Company has incurred the following obligations :—

GUARANTEE.

Bangor and Carnarvon Railway, leased in perpetuity at an		ANNUAL
annual rental of	£6,400	CHARGE.

£6,400

PREFERENCE.

£630,000—Entitled to $5\frac{1}{2}$ per cent. per annum in perpetuity,
and to rateable proportion of surplus profits,
termed “ $5\frac{1}{2}$ per Cent. Stock” £34,650

525,000—Entitled to 5 per cent. per annum in perpetuity,
termed “5 per Cent. Stock”—The ultimate
charge per year will be £26,250 : as, however,
but £268,833 had been paid up to 31st Dec.,
1857, the present charge is 13,441

Total Preference £48,091

The London and North Western Company work this Railway at 1 per cent. over the rate it costs them to work their own line, inclusive of rates and taxes. On the half-year to 31st Dec., this rate was 44 per cent. on the receipts. The working charge is arranged half-yearly. All cost for maintenance of road beyond £17,386 per year is borne by the Chester and Holyhead Company, who also bear half any loss which the sea service may entail, but receive all the profits. This arrangement may be determined from 1st January, 1859, on two years' notice from either side.

The unguaranteed stock (£2,092,890) has not yet enjoyed any dividend from profits, owing to the heavy amount of Preference arrears which had accrued, and have had to be paid from realised profits. All arrears have been satisfied to 30th September, 1857. The following remarks are taken from the Directors' Report of the 18th March, 1858, and elucidate the Company's position exactly. It will be observed that the full Preference Capital is stated as against revenue.

"Net balance to credit of Revenue for half-year			
ending 30th June			£58,148
Ditto ditto ditto 31st Dec.			73,773
			<u>£131,921</u>
First charges, viz. :—			
Interest on Debentures			£53,894
First Preference Dividend at $5\frac{1}{2}$ per			
cent. per year on £630,000			34,650
Second ditto at 5 per cent. per year			
on £525,000			26,250
			<u>114,794</u>
			Balance <u>£17,127 "</u>

CLYDESDALE JUNCTION RAILWAY.

This Line has been leased in perpetuity to the Caledonian Railway Company at $4\frac{1}{2}$ per cent. per annum (£20,250) on £450,000 Share Capital.

This Company maintains an existence independent of the Caledonian. Its capital

£450,000, in Consolidated Stock. (See CALEDONIAN.)

COCKERMOUTH AND WORKINGTON RAILWAY.

This Company has incurred the following obligation :—

PREFERENCE.	ANNUAL CHARGE.
£25,000—Entitled to 5 per cent. per annum in perpetuity, in shares of £6 13s. 4d. each	<u>£1,250</u>

The unguaranteed Capital amounts to £75,220, on which a first Dividend at the rate of $3\frac{3}{4}$ per cent. was paid, as per the accounts to 31st Dec., 1857, or £1,410

A negotiation to lease this Line to the Whitehaven Junction Railway Company has failed for the present, the terms asked being more than that Company was disposed to agree to. The matter was reported at the Meeting, 25th January, 1858.

COLCHESTER, STOUR VALLEY, SUDBURY, AND HALSTEAD RAILWAY.

This Railway is leased in perpetuity by the Eastern Union Railway Company at £9,500 per year. Under the Amalgamation Act the Eastern Counties is bound to see to the payment of the Rent, and to deduct the amount, if need be, from the Eastern Union share of the joint profits.

This Company has incurred the following obligation :—

PREFERENCE.	ANNUAL CHARGE.
£45,000—Entitled to 5 per cent. per annum in perpetuity, shares of £5 each. The ultimate charge will be £2,250 per year : as, however, but £13,548 had been paid to 31st Dec., 1857, the present charge is £677	£677

This Company have a Debenture Debt of £12,100, which it has been agreed shall be met by applying the free portion of the rent to its liquidation until paid thereby, or the unissued portion of the Preference Stock is taken up to the amount necessary to pay it off. The amount which was due originally was £29,100. In the past half-year about £6,000 of the Preference Stock was issued.

The unguaranteed Capital to 31st December, 1857, amounted to £231,976.

COLONIAL GOVERNMENT BONDS.

The following securities have been issued by the respective Colonial Governments :—

Canada Government Bonds.—These Bonds are guaranteed 6 per cent. per annum, and are redeemable at various dates at par, up to the year 1882. There are some 5 per cent. Bonds, also, but these are seldom on the market.

Canada Government Municipal Loan Fund Bonds.—These Bonds are guaranteed 6 per cent. per annum, and under the Act of the Colonial Legislature, which authorised their issue, are secured on the assessable property of the Upper Province. The Bonds are redeemable at various periods up to the year 1876, at par.

New Brunswick Government Bonds.—These Bonds are guaranteed 6 per cent. per annum, and are redeemable at various periods up to the year 1886, at par.

New South Wales Government Bonds.—These Bonds are guaranteed 5 per cent. per annum, and are redeemable at various periods up to the year 1876, at par.

Nova Scotia Government Bonds.—These Bonds are guaranteed 6 per cent. per annum, and are redeemable at various periods up to the year 1875, at par.

South Australian Government Bonds.—These Bonds are guaranteed 6 per cent. per annum, and are redeemable at various periods up to the year 1881, at par.

Victoria Government Bonds.—These Bonds are guaranteed 6 per cent. per annum, and are redeemable at various periods up to the year 1878, at par.

COPPER MINERS OF ENGLAND COMPANY.

—◆—
This Company has incurred the following obligation :—

PREFERENCE.	ANNUAL CHARGE.
£288,275—Entitled to $7\frac{1}{2}$ per cent. per annum in perpetuity, in shares of £25 each	£21,620

The unguaranteed Capital of this Company amounts to
£297,217, on which a dividend out of the profits of the
year to 25th March, 1858, at the rate of 1 per cent.
was declared £2,972

CORK AND BANDON RAILWAY.

—◆—
This Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£7,310—"Debenture Shares of £10 each," entitled to 4 per cent. per annum in perpetuity	£292
48,000—"No. 1, Preference Shares of £6 5s. each," entitled to $5\frac{1}{2}$ per cent. per annum in perpetuity. The ultimate charge will be £2,640 per year: as, however, but £47,472 had been paid up to 31st December, 1857, the present charge is	2,610
30,000—"No. 2, Preference Shares of £5 each," entitled to 6 per cent. per annum until 31st December, 1863, and 4 per cent. in perpetuity afterwards, unless the proprietors in the interim period waive their Preference and become ordinary stockholders. The full interest is £1,800 per year: as, however, but £28,003 had been paid up to 31st December, 1857, the present charge is	1,680
	<u>£4,582</u>

The Company stands indebted to the Exchequer Loan Commissioners in the sum of £25,853, the annual charge being . £1,034

The total original Share Capital is £240,000, of which £174,952 had been paid, as per the accounts to 31st December, 1857. No dividends have been paid except on the Preference capitals.

CORNWALL RAILWAY.

This Company, under the joint guarantee of the Great Western to the extent of 4-18ths of the liability, the Bristol and Exeter to the extent of 7-18ths, and the South Devon to the extent of 7-18ths, have raised the following stock, this Company being primarily liable. The guarantee is secured by deed, dated 14th July, 1857, and by Parliamentary powers. The stock is redeemable by the Cornwall Company at par, after the expiration of seven years from its issue, subject to six months' notice by the Company.

PREFERENCE.

ANNUAL CHARGE.

£300,000—Entitled to 5 per cent. per annum, subject to redemption as explained above. The interest being assured by the three Companies, the stock may fairly be termed "Guaranteed;" issued in shares of £20 each	£15,000
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The unguaranteed Capital amounts to £677,260, on which no dividend has been paid.

The above created Preference Capital has been raised to complete the Line to Truro.

CRYSTAL PALACE.

This Company has incurred the following obligations :—

PREFERENCE.

ANNUAL CHARGE.

£250,000—"Debenture Stock," entitled to 6 per cent. per annum in perpetuity. This stock forms "a first charge on all the property" of this Com-	
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pany. It is understood that the whole Deben-
ture Debt of the Company will be obliterated
by the creation of this stock. No amount of
stock less than £5 admitted£15,000

£150,000—Entitled to 7 per cent. per annum in per-
petuity. In shares of £5 each 10,500
Total Preference £25,500

The unguaranteed Capital amounts to £1,000,000, on which no
dividend has been paid for some time; the capital is in course of
reduction by the exchange of shares into season tickets of a limited
quality.

DARLINGTON AND BARNARD CASTLE RAILWAY.

This Line, subject to Parliamentary approval, has been leased to
the Stockton and Darlington Railway Company, at a rental which
shall give 6 per cent. per annum to its Share Capital, which is
believed to amount to nearly £150,000. (*See STOCKTON AND
DARLINGTON.*)

DUDLIN AND DROGHEDA RAILWAY.

This Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£48,225—Entitled to 5 per cent. per annum until 30th August, 1861, and in perpetuity afterwards, if the Com- pany do not, before the same date in 1866, redeem the Capital at par, which it has reserved to itself the right to do. Shares of £25 each, termed “Preference 5 per Cents.”	£2,411
44,225—Entitled to 4 per cent. per annum in perpetuity; termed “Four per Cent. Preference” Shares, £25 each	1,769
Carried forward	<u>£4,180</u>

Brought forward	£4,180
£170,775—Entitled to 5 per cent. per annum until 31st December, 1867, and afterwards until the Company choose to redeem the Capital at par, which it has reserved to itself the right to do after that date, on giving six months' notice, expirable on 30th June or 31st December in each year. The Shareholder has the right to waive his Preference, and become an ordinary Stock-proprietor, at any time before 31st December, 1867, on notice to the secretary. This Capital being required to pay £140,000 now charged with $5\frac{1}{2}$ per cent., owing to the Belfast Company; and £30,000 to invest in Dundalk and Enniskillen Preference 5 per cent. Shares, the £170,775 raised will produce a gain of £700 per year to the Company. £15 per share will be paid up by the end of 1858, and the whole £25 by 1st January, 1860. The ultimate charge will be £8,539. The shares are £25 each, and are termed "Preference 5 per Cents., 1857." The amount paid up on 31st December, 1857, was £13,245, the present charge therefore is	
	662
Total Preference	<u>£4,842</u>

The unguaranteed Capital amounts to £526,773, on which Dividends at the rate of $4\frac{1}{2}$ per cent. were paid out of the profits of the year to 31st December, 1857, or . . . £25,512

DUBLIN AND KINGSTOWN RAILWAY.

This Line has been leased to the Dublin and Wicklow Railway Company for 35 years, from 1st July, 1856, at an annual rental of £32,000, and a contingent addition of 30 per cent. of all the receipts of the Line, which exceed £55,000 per year. This contingent rental on the year to 1st July, 1857, amounted to £605 6s. 8d. The lease is renewable on the same terms at the end of the present term.

This Company's created Capital is represented by—

£70,000—Debenture Debt at 4 per cent.—£2,800 per year.

200,000—Consolidated Stock.

200,000—In shares of £50 each, £25 called up.

100,000—In shares of £25 each, £12 10s. called up.

The Dividend receiving Capital will hereafter be £350,000. The average paid up Capital on the year 1857 was £327,725, on which Dividends at the rate of $8\frac{1}{4}$ per cent. free of Income Tax were paid,
 or £27,037

DUBLIN AND WICKLOW RAILWAY.

This Company has incurred the following obligations :—

GUARANTEE.

ANNUAL CHARGE.

Dublin and Kingstown Railway.—This Line has been leased for 35 years from 1st July, 1856, at a minimum annual rental (*see* DUBLIN AND KINGSTOWN) of £32,000, and annuities to late officers. The gross receipts having exceeded £55,000, the actual amount paid on 1857 account was . . £33,485

PREFERENCE.

£200,000—Entitled to 6 per cent. per annum in perpetuity, in shares of £10 each. The whole amount will be called up by March, 1859 12,000

The unguaranteed Capital amounts to £477,230, in shares of £10 each, on which dividends at the rate of $2\frac{1}{2}$ per cent. were paid out of the profits of 1857. The actual amount paid was £11,931

DUNDALK AND ENNISKILLEN RAILWAY.

This Company is under engagements with the Exchequer Loan Commissioners to the extent of £78,824, at a charge of £1,600 per

year, and an annual redemption payment, The amount which was paid off the original loan of £80,000 in the half-year to 31st December, 1857, was £1,176.

The following Capital obligations have been incurred :—

PREFERENCE.

ANNUAL
CHARGE.

£180,000—Entitled to 5 per cent. per annum in perpetuity ;
exists in shares of £10 each. The ultimate
charge will be £9,000 per year: as, however, the
accounts to 31st December, 1857, show but
£149,480 as having been paid up, the present
charge is £7,474

90,000—Entitled to 5 per cent. per annum in perpetuity ;
exists in shares of £10 each : as, however, the
issue was only authorised 26th February, 1858,
it will be some time before the full amount will
be chargeable. The ultimate total will be
£4,500 per year. The present charge cannot
be stated.

The unguaranteed Capital amounts to £171,420, on which a
dividend at the rate of 1 per cent. was made on the accounts
to 30th June, 1857. For the subsequent half year no dividend
was paid, the amount carried forward to credit being £548 . £1,714

DUNDEE AND ARBROATH RAILWAY.

This Company has incurred the following obligations :—

PREFERENCE.

ANNUAL
CHARGE.

£66,667—Entitled to 5 per cent. per annum in perpetuity ;
exists in shares of £8 6s. 8d. each. The amount
paid up is £65,279, the balance being in the
Company's hands. The ultimate charge will be
£3,333 per year : the present charge is. . . £3,264

The unguaranteed Capital amounts to £200,000, on which

dividends at the rate of $4\frac{1}{2}$ per cent. were paid out of the profits made on the year's traffic to 31st October, 1857, or . £9,000

DUNDEE AND NEWTYLE RAILWAY.

This Line has been leased to the Dundee, Perth, and Aberdeen Junction Railway Company, at a rental of £1,400 per year, on the Capital of £140,000 (1 per cent.).

The Capital of this Company is represented by 2,247 shares, of £50 each (£112,350), on which dividends at the rate of 12s. per share were paid out of the profit rental of 1857 (24s. per cent.), or £1,348.

DUNDEE, PERTH, AND ABERDEEN JUNCTION RAILWAY.

This Company has incurred the following obligations :—

GUARANTEE.

ANNUAL CHARGE.

Dundee and Newtyle Railway.—This Line has been leased	
in perpetuity, at an annual rental amounting	
to	£1,400

£1,400

PREFERENCE.

£120,000—Entitled to 5 per cent. per annum in perpetuity;	
termed "First Class Preference Shares," £10	
each	£6,000

£6,000

£150,000—Entitled to 5 per cent. per annum in perpetuity;	
termed "Quarter Shares," of £6 5s. each. The	
ultimate charge will be £7,500 per year: as,	
however, on 31st of January, 1858, but	
£141,492 had been paid up, the present	
charge is	7,075

7,075

Total Preference £13,075

The unguaranteed Capital of this Company amounts to £299,607, on which dividends at the rate of $1\frac{3}{8}$ per cent. were paid out of the profits of the year to 31st January, 1858, or £4,118

EAST ANGLIAN RAILWAY.

This Line is under a working arrangement with the Eastern Counties Company, by the terms of which the East-Anglian Company are assured a minimum net annual payment of £17,000. The cost of working the Line is not to be over 50 per cent. ; the rate is nevertheless to be governed by that incurred on the Eastern Counties itself, so that the East-Anglian shall have the advantage of any lower cost, and be secured against any charge higher than 50 per cent. The working rate on the half-year to 31st December, 1857, was £45 13s. 8d. per cent., and the net sum paid over £14,815. About £1,000 average receipt per week would be required to meet all the Preference claims at the same cost of working. The average on the half-year was but £996 per week, and hence the C Stock did not receive by 2s. 6d. per cent. its stipulated rate.

This Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£33,130—Entitled to 5 per cent. in perpetuity, and possesses, with the next described Stock, first right to share in Dividends : is termed "A Stock"	£1,656
9,820—Entitled to 7 per cent. in perpetuity, and possesses equal rights with the foregoing : also termed "A Stock"	687
120,000—Entitled to 6 per cent. in perpetuity : being, however, limited in its claim on current Dividends to one half-year, would more properly be described as "3 per cent. per half-year : " is termed "B Stock"	7,200
Carried forward	£9,543

Brought forward	£9,543
£70,783—Entitled to 7 per cent. in perpetuity; but being limited in its claim on current profits to one half-year, as is the previously described B Stock, should be described as “3½ per cent. per half-year: is termed “C Stock”	4,961
Total Preference	<u>£14,504</u>

The unguaranteed Capital amounts to £1,033,606, on which no Dividend has yet been paid. The excess profits on the half-year, to 30th June (£631 19s 10d.), stand to credit.

EASTERN COUNTIES RAILWAY.

This Company comprises the Eastern Counties Proper, the Eastern Union, and the Norfolk Companies; its business is conducted by a joint Board, under a working agreement, by the terms of which each of the Companies bears the weight of some of the Preference engagements, and the joint body others. The arrangement is somewhat akin to that of the North Eastern Railway Company and its component Companies.

The proportion of joint-profits the respective Companies are entitled to is, Eastern Counties, 5-7ths; Eastern Union, 1-7th; Norfolk, 1-7th.

The following are the guarantees which are charged against the joint revenue. If a dissolution of the amalgamation should take place, it is understood that they would then fall on the Eastern Counties exclusively.

JOINT GUARANTEES.	ANNUAL CHARGE.
Royston and Hitchin Railway.—This Line has been sub-let to the Eastern Counties by the Great Northern Railway Company, at a rent of	£16,800
Newmarket and Bury Extension Railway.—This Line has been leased in perpetuity, at a rental equal to 5 per cent. per annum on £143,425	7,121
Carried forward	<u>£23,921</u>

Brought forward	£23,921
Harwich Railway.—This Line has been leased in perpetuity from the Eastern Union Railway Company, at a rental equal to 4 per cent. on £200,000	8,000
Total Joint Guarantees	<u>£31,921</u>

EASTERN COUNTIES PROPER.

This Company has to meet out of its own resources the following obligations :—

GUARANTEE.	ANNUAL CHARGE.
Northern and Eastern Railway, leased in perpetuity, at an annual rental, with £1,000 added, for the separate North Eastern Board, &c.	£62,716
<hr/>	
PREFERENCE.	
£958,180—No. 1 Stock, entitled to 5 per cent. in per- petuity ; termed “Extension Stock, No. 1”	47,909
959,014—No. 2 Stock, entitled to 5 per cent. in per- petuity ; termed “Extension Stock, No. 2”	47,951
618,317—Entitled to 6 per cent. in perpetuity ; termed “Six per cent. Stock”	37,099
2,845—Entitled to 5 per cent. in perpetuity (York Extensions)	142
Total Preference	<u>£133,101</u>

The unguaranteed Stock amounts to £5,833,611, on which
Dividends out of the profits of 1857 were paid at the rate of
2 $\frac{7}{8}$ per cent., or 167,716

For details of the arrangements and other particulars connected
with the leased and the amalgamated Companies, see EASTERN UNION,
NORFOLK, EAST-ANGLIAN, NEWMARKET AND BURY, NORTHERN AND
EASTERN, ROYSTON AND HITCHIN.

EASTERN UNION RAILWAY.

This Company, in so far as the working of the Line is concerned, is amalgamated with the Eastern Counties and the Norfolk Companies, its proportion of the profits, after certain general charges are provided for, being one-seventh, out of which it has to meet its own engagements, as follow :—

GUARANTEES.	ANNUAL CHARGE.
Stour Valley Railway, leased in perpetuity	£9,500
Stowmarket Navigation, leased in perpetuity	1,070
Lark Navigation, leased in perpetuity	221
Total Guarantees	£10,791

PREFERENCE.

£23,750—Entitled to $3\frac{1}{2}$ per cent. in perpetuity. £25 shares	£831
221,100—Entitled to 4 per cent. in perpetuity. £25 shares .	8,844
125,730—Entitled to 4 per cent. in perpetuity. £20 and £5 shares	5,029
100,000—Entitled to $5\frac{1}{2}$ per cent. (in shares of £10 each) until redeemed at par, to effect which the Com- pany have the power at any time from and after 1st July, 1862. The ultimate annual charge will be £5,500: as, however, but £23,534 had been paid to 31st December, 1857, the present charge is	1,289
Total Preference *	£15,993

The unguaranteed paid-up Capital is believed to be £1,057,861; this, however, cannot be stated with accuracy. The amount which was divided out of the surplus profits of 1857 is nearly £16,000. The rate on the A Stock on the year was 54s. per cent.; on the B. Stock, 36s. per cent.

* The sum of £237,760 will probably require to be raised as a Preference Stock, to clear this Company of its liabilities; the ultimate full weight on Preference account cannot therefore be shown at present.

EAST GRINSTEAD RAILWAY.

This Line is leased by the London and Brighton Railway Company for 999 years, at £2,000 a year rent, which yields 4 per cent. on the Capital (£50,000, raised in £25 shares). The Brighton Company have reserved the power to purchase the property within ten years from the date of the lease, for £50,000, and are before Parliament this session (1858) for the required powers.

EAST INDIAN RAILWAYS.

The Honourable East India Company have granted leases to various Railway Companies for periods of 99 years, guaranteeing to each minimum dividends on the subscribed capitals. The surplus profits of the Lines beyond the guaranteed rate are to be divided between the contracting parties, until the Honourable East India Company shall have been repaid any moneys they may have advanced by way of interest or otherwise during the progress of the works, after which repayment all excess profits are to be divided amongst the shareholders.

The Railway Companies have the right reserved to them after completion of the lines, on giving six months' notice of their wish to do so, to surrender them to the East India Company ; and the latter body must in such event repay the capital in full, or redeem the same by a fixed annual payment, overspreading the portion of the leases which may not have run out. The Honourable East India Company has reserved to itself the right, at the end of 25 or 50 years from the dates of the arrangements, by money or annuity payment, to purchase the railways, the average market value of the shares for three years precedent to the two periods named being taken as the guide. At the termination of the leases, the working stocks are to be taken at valuations, and the works to lapse to the Honourable East India Company without payment. The rate of exchange of the Company's rupee to be treated as 1s. 10d.

The guarantee is not positive ; on the contrary, it is dependent on profits being realised. While no loss arises in the working of the Lines, the Honourable East India Company will pay the full guaranteed interest, but if loss ensued, then the guaranteed rent would be charged with its amount, and the interest paid to the shareholder be so much less as his share of that loss amounted to. So long, therefore, as *any profit* is made, the guaranteed rate will be paid ; and if the contrary ever should arise, the Railway Company would exercise its right, and call upon the Honourable East India Company to redeem the Capital, and thus assure itself from injury ; so, likewise, as the 99 years approaches its end, the Railway Company will doubtless exercise the same power, and in that event also secure its Capital intact. Practically, the guarantee may be deemed positive, the adverse contingencies being too remote to be worth consideration, especially when coupled with the protective right which exists to demand repayment of the Capital, or its equivalent annuity.

The following Lines are those, the Capitals of which have been guaranteed by the Honourable East India Company on the foregoing conditions :—

BOMBAY, BARODA, AND CENTRAL INDIA RAILWAY.

This Company's Capital is represented by—

£498,744—In shares of £18 each. A portion is fully paid up.

Another portion has but £9 per share called up.

250,002—In shares of £18 each. £6 called up. Termed “A Shares.”

999,990—In shares of £18 each. £4 10s. called up. Termed “B Shares.”

All guaranteed 5 per cent. per annum.

EASTERN BENGAL RAILWAY.

This Company's Capital is represented by—

£1,000,000—In shares of £20 each. £5 called up.

Guaranteed 5 per cent. per annum.

EAST INDIAN RAILWAY.

This Company's Capital is represented by—

£4,786,815—Consolidated Stock—

1,500,000—In shares of £20 each, all paid. Termed “C Shares.”

1,500,000—In shares of £20 each, £5 called up. Termed “E Shares.”

All guaranteed 5 per cent. per annum.

1,000,000—Debentures, with $4\frac{1}{2}$ per cent. guaranteed, and the right of conversion into Railway stock secured until 1859; if the latter is not exercised, the amount to be repaid at par.

This Company has arranged for a further creation of £2,000,000 Capital for the “Jubbulpore Extension” Line.

GREAT INDIAN PENINSULA RAILWAY.

This Company's Capital is represented by—

£2,000,000—In shares of £20 each, all paid.

2,000,000—In shares of £20 each, £4 called up.

2,000,000—In shares of £20 each, £2 called up.

All guaranteed 5 per cent.

333,300—In Debentures, guaranteed $4\frac{1}{2}$ per cent. per annum; redeemable at the end of 1859.

MADRAS RAILWAY.

This Company's Capital is represented by—

£500,000—In shares of £20 each, all paid. Guaranteed $4\frac{1}{2}$ per cent. per annum.

1,000,000—In shares of £20 each, £15 called up. Guaranteed $4\frac{3}{4}$ per cent. per annum.

500,000—In shares of £20 each, all paid.

1,000,000—In shares of £20 each, £5 called up. } Guaranteed
Termed “Third Extension Shares.” } 5 per cent.

1,000,000—In shares of £20 each, £5 called up. } per annum.
Termed “Fourth Extension Shares.” }

PUNJAUB RAILWAY.

This Company's Capital is represented by—

£1,500,000—In shares of £20 each, £5 called up.

Guaranteed 5 per cent. per annum.

SCINDE RAILWAY.

This Company's Capital is represented by—

£500,000—In shares of £20 each ; a portion is fully paid up ; a part has £10 called up.

500,000—In shares of £20 each ; £5 called up. Termed "New Shares."

The above are guaranteed 5 per cent. per annum.

INDUS STEAM FLOTILLA COMPANY.

This Company's Capital is guaranteed 5 per cent. per annum by the Honourable the East India Company, and is represented by—

£250,000—In shares of £20 each, £5 called up.

This Stock is guaranteed on the same conditions as the Railway Stocks are.

EAST KENT RAILWAY.

This Company has incurred the following obligation :—

PREFERENCE.

ANNUAL
CHARGE.

£500,000—5 per cent. perpetual stock, in shares of £25 each, the ultimate charge on which will be £25,000 per year : as, however, but £46,568 have been paid up, out of £87,590 which was issued, the present charge is	£2,328
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The original Capital is £630,000, of which, though all called up, but £414,947 were received to 30th June, 1857. The Line has only recently been opened to Faversham.

EAST LANCASHIRE RAILWAY.

This Company has incurred the following obligations :—

GUARANTEE.

ANNUAL CHARGE.

Leeds and Liverpool Canal.—This property is leased jointly by the London and North Western, the Midland, the Lancashire and Yorkshire, and the East Lancashire Companies. The traffic account to 31st December, 1857, is silent on the matter of profit or loss. The London and North Western admit a loss of £1,359 on the half-year on this and Rochdale Canal account, the true state of this as a charge cannot therefore be stated. The total annual charge on the four lessor Companies is believed to be £78,239, the Canal traffic being the set-off.

PREFERENCE.

£287,794—Entitled to 6 per cent. certain in perpetuity, with the right also to share in all profits beyond. Termed “6 per Cent. Preference Stock”	£17,268
297,490—Entitled to 5 per cent. in perpetuity. Termed “Preference Fifth Shares”	14,874
90,780—Entitled to $4\frac{1}{2}$ per cent. certain in perpetuity, with the right also to share in all profits beyond. Termed “ $4\frac{1}{2}$ per Cent. Preference £5 Shares	4,085
65,700—Entitled to 5 per cent. in perpetuity. The total paid up to 31st December, 1857, amounted to £42,240. The Stock is termed “Preference Fifths, 1857.” The ultimate charge will be £3,285 per year. The present charge is	2,112
Total Preference	<u>£38,339</u>

The unguaranteed Capital amounts to £2,317,850, on

which Dividends equal to $4\frac{5}{8}$ per cent. were paid out of the profits of 1857. The Capital, when all is called up, will amount to £2,396,908. The total sum paid as Dividend was £105,154

This Company and the Lancashire and Yorkshire Company are before Parliament the present session (1858) for powers to amalgamate the Blackburn Railway Company with them. (For particulars, *see* BLACKBURN RAILWAY.)

EAST LINCOLNSHIRE RAILWAY.

The Great Northern Railway Company, under powers contained in an Act bearing date 9th July, 1847, have taken a lease in perpetuity of the East Lincolnshire Railway, at a rental of £36,000 per year, or £6 per cent. on the subscribed capital (£600,000). The Great Northern Company have reserved an option to redeem the stock, on paying £50 premium per cent. at any time hereafter.

The Great Northern Railway Company manage this Company's business matters, deducting therefore from the Dividend warrants, 6*d.* on every £100 Stock (£150 in all).

EAST LONDON WATER-WORKS.

This Company has created the following Preference Stocks :—

STOCKS.	ANNUAL CHARGE.
£151,500—Entitled to 4 per cent. per annum, "Preference £25 Shares"	£6,660
148,500—Entitled to 5 per cent. per annum, "Preference £25 Shares"	7,425
	Total Preference <u>£14,085</u>

Both of the above Preference rights cease with the year 1859, the stocks becoming consolidated into ordinary stock at that time.

The unguaranteed Stock amounts to £675,000, on which Dividends at the rate of £6 per cent. were paid out of the profits of 1857, or £40,500

EDINBURGH AND BATHGATE RAILWAY.

This Line has been leased in perpetuity to the Edinburgh and Glasgow Railway Company, at a rental equal to 4 per cent. per annum (£9,500) on a Capital of £237,500.

This Capital exists in Shares of £25 each and Loans. The amount called up is £18 per share.

EDINBURGH AND GLASGOW RAILWAY.

This Company has incurred the following obligations :—

GUARANTEES.	ANNUAL CHARGE
Stirlingshire Midland Junction Railway, leased in perpetuity, at a rental equal to $5\frac{1}{2}$ per cent. per annum on £150,000 Capital	8,250
Edinburgh and Bathgate Railway, leased in perpetuity, at a rental equal to 4 per cent. per annum on £237,500, all surplus profits belonging to the lessor Company	9,500
Stirling and Dunfermline Railway.—After protracted litigation this Line has been leased in perpetuity, at a rental equal to 4 per cent. per annum on £450,000	18,000
Total Guarantees	<u>£35,750</u>

PREFERENCE.

£275,000—Entitled to 5 per cent. per annum in perpetuity; the profits of each half-year only being liable, the Stock is therefore guaranteed $2\frac{1}{2}$ per cent. per half-year : is termed “5 per Cent. Preference Stock” £13,750

The unguaranteed Capital is £2,223,375, on which, from the profits of the year to 31st January, 1858, Dividends were paid equal to £3 2s. 6d per cent., or . . . £69,480

The Edinburgh and Glasgow Company, to meet the Stirling and Dunfermline past charges and the annual cost of the Debenture Debt, have set aside £11,000 per year. The Debt amounts to £130,000, which, at $4\frac{1}{2}$ per cent., is equal to £5,850 per year. An Act is being applied for this session (1858) to legalise the arrangements.

EDINBURGH, PERTH, AND DUNDEE RAILWAY.

This Company has incurred the following obligations :—

PREFERENCE.

ANNUAL CHARGE.

£95,925—Entitled to 4 per cent. in perpetuity. Any deficiency in one half-year to be made up out of the next ; if not then met, the claim to cease.
Termed “Granton Preference Stock” . . . £3,909

549,641—Entitled to 4 per cent. in perpetuity. This stock is restricted in its right to arrears of dividend in the same manner as the stock previously described. Termed “£5 Preference Stock” 21,286

Total Preference £25,185

The unguaranteed Capital of this Company amounts to £1,280,010, on which dividends at the rate of $1\frac{1}{2}$ per cent. on the year 1857 were paid, or . . . £9,414

The Debenture Debt of this Company is very heavy ; in the accounts to 31st January, 1858, it stood thus :—

1st Class Debenture Debt . . .	£1,025,811	14s.	11d.
2nd Class Debenture Debt . . .	332,242	7s.	2d.

The half-year's interest amounted to £29,498. For the purpose of reducing this Debt, the Proprietors, at a Meeting held 3rd March, 1858, authorised the creation of a Debenture Stock.

EREWASH VALLEY RAILWAY.

This Line has been leased in perpetuity to the Midland Company at a guaranteed rent of 6 per cent. per annum (£8,700) on the Share Capital (£145,000), and right to participate in surplus profits.

This Company's affairs are managed by the Midland Company, who pay the dividends and attend to all other business. The Capital exists as

£145,000 in Stock. (See MIDLAND.)

FORTH AND CLYDE JUNCTION RAILWAY.

This Company has incurred the following obligation :—

PREFERENCE.

ANNUAL
CHARGE.

£11,000—Entitled to 5 per cent. per annum. The £11,000	
does not constitute the whole amount to be	
raised. The total sum authorised to be issued is	
not stated in the Company's accounts; the	
present charge is	£550

The unguaranteed Capital amounts to £105,753, on which no dividend has been paid. The profits on the year to 31st January, 1858, were equal to $2\frac{1}{4}$ per cent. per annum, the amount, however (£1,188), was applied to Capital purposes.

FOSS DYKE NAVIGATION.

This undertaking has been taken by the Great Northern Railway Company at an annual charge of £9,570 5s. 3d.

The particulars of the Capital cannot be given.

FURNESS RAILWAY.

This Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£100,000—Entitled to 5 per cent. per annum until redeemed at par by the Company, after six months' notice. ("Original 5 per Cents.")	£5,000
120,000—Entitled to 5 per cent. per annum in like manner as the preceding ("1855—5 per Cent. Preference"). The ultimate annual charge will be £6,000; as, however, but £60,000 had been called up on 31st December, 1857, the present charge is	3,000
10,000—Entitled to 5 per cent. per annum in like manner as both the preceding classes. The issue of this stock was authorised 24th February, 1858; the amount being small, it will probably be called up immediately, and may fairly be treated as a present charge	500
	<u>£8,500</u>

The unguaranteed Capital amounts to £240,000, on which, out of the profits of 1857, dividends were paid at the rate of 8 per cent., or £19,200

GEELONG AND MELBOURNE RAILWAY.

This Line is guaranteed by the legislature of Victoria, 5 per cent. per annum for 21 years, from 1853, on a Share Capital not exceeding £500,000. The rate of dividend is limited to 25 per cent., and the Colonial Government have the power to purchase up the shares on paying £50 for every £20 share, or a sum equal to 16 years' purchase, calculated on the divisible profits of the three years which preceded

the notice to buy, such notice to be given between 1863 and 1873, six months' previous intimation being necessary.

The Capital is represented by—

£350,000 in shares of £20 each. The interest is payable in London or the Colony in April and October in each year. The liability extends to double the amount of the share.

GLASGOW, BARRHEAD, AND NEILSTON RAILWAY.

This Line has been leased in perpetuity to the Caledonian Company, at a rental of £11,250 per year, on a capital of £275,000.

The Company maintains an existence independent of the Caledonian. (*See CALEDONIAN.*) Its Capital is represented by—

£150,000, Original £25 Shares.

125,000, New £25 Shares.

The Original Shares are entitled to $4\frac{1}{2}$ per cent. per annum out of the rent paid, the New Shares $3\frac{3}{4}$ per cent.

GLASGOW, GARNKIRK, AND COATBRIDGE RAILWAY.

This Line has been leased in perpetuity to the Caledonian Company, at 8 per cent. per annum (£12,805) on a Capital of £156,369.

This Company maintains an existence independent of the Caledonian Railway Company. Ten shillings per cent. is deducted from the dividends as and for costs of management. (*See CALEDONIAN.*) Its Capital is represented by—

£139,000 in shares of £25 each.

17,369 in shares of £6 5s. each.

Brought forward	£23,012
£342,110—Entitled to 5 per cent. per annum in perpetuity; created 26th January, 1858. This stock is limited to the stipulated 5 per cent., and ranks after the Ardrossan Guaranteed Stock; termed “£10 Five per Cent. Perpetual Guaranteed Shares”	17,105
Total Preference	<u>£40,117</u>

The unguaranteed Capital receiving dividend amounts to £2,687,806, on which and the Ardrossan Guaranteed Stock (£90,000) dividends were declared out of the profits on the year ending 31st January, 1858, of $4\frac{3}{4}$ per cent., absorbing £131,754

The total Capital is £2,784,899; the Company, however, holds £113,828 of this, on which of course no dividend is allowed for.

The last created Preference Stock (£342,110) will not become an immediate charge on revenue.

GLOUCESTER AND DEAN FOREST RAILWAY.

This Line is leased in perpetuity to the Great Western Railway Company, on a guarantee of $5\frac{1}{2}$ per cent. per annum (£13,970) on £254,000 Capital.

This Company maintains an existence independent of the Great Western Railway Company. Its Capital is represented by £254,000, in shares of £25 each. (*See GREAT WESTERN.*)

GRAND JUNCTION CANAL.

This Company has incurred the following obligation :—

PREFERENCE.

ANNUAL CHARGE.

£104,550—Entitled to 6 per cent. per annum in perpetuity,
with the right to waive the Preference right,

and become an ordinary stockholder; this latter power, however, expires 27th June, 1858. The stock was created 27th June, 1848. The shares are £10 each. The authority extended to £114,550 £6,273

The unguaranteed Capital of this Company amounts to £1,145,500, on which dividends out of the profits made in 1857 were paid, equal to $4\frac{1}{2}$ per cent., or . £48,684

GRAND SURREY DOCKS AND CANAL.

This Company has incurred the following obligations :—

PREFERENCE.

ANNUAL CHARGE.

£50,700—Entitled to 5 per cent. in perpetuity, free of Income Tax; termed “Preference £25 Shares” . £2,535

148,300—Entitled to the same terms as the foregoing; termed “Preference £25 New Shares.” This stock is now in course of issue (February, 1858) in 5,932 shares of £25 each, deposit, £2; 16th August, £5; 16th January, 1859, £5; 16th June, £5; 16th November, £5; 16th March, 1860, £3. The ultimate charge will be 7,415
£9,950

The Share Capital amounts to £152,100, on which dividends equal to 4 per cent. were paid out of the profits of 1857, or £6,084

This Company has likewise £150,000 borrowed on loan notes at 4 per cent. per annum, or 6,000

GRAND TRUNK RAILWAY OF CANADA.

This Company has incurred the following obligations :—

GUARANTEES.

ANNUAL CHARGE.

Atlantic and St. Lawrence Railway.—This Line has been leased at a rental of 6 per cent. per annum on the Capital expended, which is as follows :—

£411,000—City of Portland Bonds	} Issued in Currency, the Interest and Principal not pay- able in England.
203,000—Company's Bonds . .	
100,000—Company's Bonds, redeemable in Nov. 1878, at par	} Interest payable in London.
500,000—Sterling Shares of £100 each not redeemable	

<u>£1,214,000</u>	Interest at 6 per cent.	£72,840
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The Grand Trunk Company are responsible for the above rental; it constitutes a first charge on profits; the security is, however, on the Atlantic and St. Lawrence Line only.

£2,000,000—Preference Debentures, redeemable at par, 31st December, 1881. These Bonds are entitled to 6 per cent. per annum, and take rank as a first charge on Grand Trunk resources; they take the position of the Government of Canada Loan of £3,111,500, on which the latter have agreed to pay the interest until the Grand Trunk Company pays 6 per cent. on the whole of its Capital 120,000

90,000—St. Lawrence and Atlantic Bonds. These Bonds are entitled to 7 per cent. per annum, and rank *pari passu* with Grand Trunk ordinary Bonds in right to dividend 5,400

Carried forward	£198,240
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Brought forward	£198,240
£1,811,500—Grand Trunk A and B Debentures, entitled to 6 per cent. per annum, redeemable at par, 1st July, 1878 and 1879. These Bonds carry the right with them to convert the amount into ordinary Stock at par up to January, 1863	108,690
100,000—Quebec and Richmond Bonds, entitled to 6 per cent. per annum, ranking with the Grand Trunk general Bonds in right to dividend, redeemable at par, 1st October, 1872	6,000
500,000—Redeemable 1st October, 1862; entitled to 7 per cent.	35,000
500,000—Redeemable 1st October, 1867; entitled to 7 per cent.	35,000
500,000—Redeemable 1st October, 1872; entitled to 7 per cent.	35,000
The whole of the above 7 per cent. Bonds (£1,500,000) rank for interest next after all the other Bonds of the Company have been paid, and immediately before Grand Trunk ordinary Stock.	
Total	<u>£417,930</u>

The unguaranteed Stock of this Company amounts to £3,215,650, on which no dividend from profits has yet been paid.

GREAT NORTH OF ENGLAND, CLARENCE, AND HARTLEPOOL JUNCTION RAILWAY.

This Line has been leased to the North Eastern (Berwick) Railway Company, at a rental equal to 5 per cent. on the Share Capital, £55,788. The annual rental paid is £2,789.

This Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£13,712—Entitled to 5 per cent. per annum, subject to a right the North Eastern (Berwick) Company have reserved to redeem the amount at par (Stock)	£686
16,918—Entitled to $4\frac{1}{2}$ per cent. per annum in perpetuity ; the amount being secured upon the rent payable under the lease, exists in Stock	761
Total Preference	<u>£1,447</u>

The unguaranteed Capital appears by Slaughter's "Railway Intelligence" to amount to £41,875, on which an "uniform dividend of 3 per cent. per annum, with an occasional bonus of $\frac{1}{2}$ per cent." is paid. This 3 per cent. would absorb £1,256 per year. (*See NORTH EASTERN.*)

GREAT NORTHERN RAILWAY.

This Company has incurred the following obligations :—

GUARANTEES.	ANNUAL CHARGE.
East Lincolnshire.—Leased in perpetuity, at a rental equal to 6 per cent. on £600,000. The Great Northern have the right to redeem the Capital on paying 50 per cent. premium	£36,000
Royston and Hitchin.—Leased in perpetuity, at a rental equal to 6 per cent. on £266,675, no power to redeem existing. The line is sub-let to the Eastern Counties Company for £16,800, credit for which is taken in Revenue	16,000
Foss Dyke Navigation.—Leased at a rent-charge of	9,570
Witham Navigation.—Leased at a rent-charge of £10,545, and the interest on the Mortgage Debt	11,472
Carried forward	£73,042

Brought forward	£73,042
Louth Navigation.—Leased until 1875, at a rent-charge of £1,500 per year, and the interest on the Mortgage Debt	3,045
Total Guarantees	<u>£76,087</u>

PREFERENCE.

£1,298,262—Entitled to 5 per cent. per annum in perpetuity ; is termed “5 per Cent. Perpetual Preference Stock” £64,913

750,000—Entitled to 5 per cent. per annum, until redeemed, after six months’ notice, at 10 per cent. premium ; is termed “5 per Cent. Preference Stock, redeemable at 10 per cent. premium” 37,500

810,000—Entitled to $4\frac{1}{2}$ per cent. per annum, redeemable, on six months’ notice, at 10 per cent. premium ; is termed “ $4\frac{1}{2}$ per Cent. Redeemable Preference Stock” 36,450

1,000,000—Entitled to 5 per cent. per annum, redeemable, on six months’ notice, at 5 per cent. premium ; is termed “5 per Cent. Preference Stock, redeemable at 5 per cent. premium.” The ultimate charge until redeemed will be £50,000 per year : as, however, but 600,000 have been called up, the present charge is 30,000

Total Preference £168,863

The original Capital is £4,796,737, on which a dividend of £2 15s. 3d. per cent. for the half-year was paid out of the profits of the six months to 31st December, 1857, or £132,509

The previous half-year’s profits (£183,277) were absorbed mainly in meeting a full year’s dividend on the Preference Capital, according to the decision of the Court of Chancery in the Preference Shareholders’ suit.

GREAT SOUTHERN AND WESTERN RAILWAY.

This Company has incurred the following obligations :—

PREFERENCE.

ANNUAL CHARGE.

£1,125,000—Entitled to 4 per cent. in perpetuity ; termed “4 per Cent. Preference Shares, of £20 each”	<u>£5,000</u>
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The unguaranteed Capital of this Company amounts to
£2,937,781, on which dividends out of the profits
realised in 1857 at the rate of 5 per cent. have
been paid, or £146,888

GREAT WESTERN RAILWAY.

This Company has incurred the following obligations :—

GUARANTEES.

ANNUAL CHARGE.

Gloucester and Dean Forest Railway.—Leased in perpetuity, at an annual rental of	£13,970
Wycombe Railway.—Leased in perpetuity, at a rental of	<u>3,600</u>
Total Rents	<u>£17,570</u>

GUARANTEED ANNUITIES.

Wilts and Somerset Stock* (£829,200), at 4 per cent. per annum	£32,984
Kennet and Avon Canal.—A fixed sum, equal to 6s. per share per year. (Income Tax taken off.)	<u>7,373</u>
Total Annuities	<u>£40,357</u>

The following appear as debits in the 1857 accounts, as—

RENT CHARGES.

Hereford, Ross, and Gloucester Railway.—This Line, under a
working agreement, receives, after certain

* The amount of Stock, which is stated in Slaughter's valuable work as belonging to the Company, is £1,500,000. The figures now given represent a Capital equal to the £32,984 which was actually paid in 1857.

contingencies have been provided for, 40 per cent. of the remainder of the gross earnings as rent ; this will necessarily vary. For the June half-year the amount paid over was £5,749 7s. ; to 31st December, 1857, £6,823 9s. The total . £12,573

Trustees of Paddington Estate.—For the June half-year the sum paid was £1,297 19s. ; to 31st December, 1857, £1,285 16s., or, on the whole year 2,584
£15,157

South Wales Railway.—This Line is held by the Great Western Company under a working agreement, which up to the present time entails loss. In round numbers the loss in 1857 may be stated as £9,000 ; as time progresses, and the South Wales district becomes developed, this loss will become diminished, and may be converted into profit.

PREFERENCE.

£59,392—"Berks and Hants" Shares, £6 paid up, entitled to 5 per cent. per annum in perpetuity £2,970

1,341,979—"Great Western Irredeemable 4 per Cent. Stock" 53,679

129,000—"Great Western Redeemable 4 per Cent. Stock." This security will become irredeemable if not paid off at par (one year's previous notice being required) within seven years from 25th April, 1875 . . . 5,160

1,780,457—"Great Western Redeemable 4½ per Cent. Stock." This security is held on the same conditions in all respects as the previously described £129,000, 4 per cents. . 80,120
 Carried forward £141,929

Brought forward	£141,929
£155,000—"Birmingham Preference," in shares of £8 each, entitled to 8 per cent. per annum till 12th November, 1859, and ever afterwards 6 per cent. The ultimate charge will be £9,300 per year. The present charge is	12,400
175,000—"Chester Preference," in shares of £10 each, entitled to 8 per cent. per annum in perpetuity	14,000
173,400—"Chester Preference," in shares of £10 each, entitled to 5 per cent. per annum until redeemed at 10 per cent. premium, the right to do which exists at present, and has no limit as to period	8,670
1,013,957—"Great Western Redeemable 5 per Cent. Stock." The Company has reserved to itself the right, on giving six months' previous notice, to redeem this stock at par, at any time after 1st April, 1862. A further amount of this stock is in course of issue. The £1,013,957 are those in the accounts to 31st December, 1857; the present charge is	50,698
997,700—"Birmingham Guaranteed."* This stock (formerly Shrewsbury and Birmingham) is entitled to $3\frac{1}{2}$ per cent. per annum (equally with the "Chester Guaranteed"), prior to the Great Western unguaranteed Stock taking any dividend	29,991
797,600—"Chester Guaranteed,"* exists in shares of £26 13s. 4d., £13 6s. 8d., and £20 each; all entitled to $3\frac{1}{2}$ per cent. equally with the "Birmingham Guaranteed," in precedence of the Great Western unguaranteed Stock .	27,916
Total Preference	<u>£285,604</u>

* These Stocks will share in any surplus profits made on their own lines, in the proportion that their amounts bear to the respective total Capitals.

The unguaranteed Stock of this Company amounts to £8,237,276, on which dividends were paid out of profits on the year ending 31st December, 1857, equal to $1\frac{1}{2}$ per cent. (£20,253 being carried forward), or . £123,595

GREAT WESTERN RAILWAY OF CANADA.

This Company has issued the following securities :—

BONDS. STERLING VALUES.	ANNUAL CHARGE. STERLING AMOUNTS.
£130,175—Entitled to 6 per cent. per annum until 1873, then to be redeemed at par, unless the holders shall, before 1st May, 1860, have exercised their option, and converted their Bonds into ordinary Stock	£7,810
39,975—Entitled to the same rate of interest and the same right of conversion as the preceding, the period expiring 1st January, 1861, the Bonds, if the option is not then exercised, to be redeemed at par in 1876	2,398
27,364—Entitled to 6 per cent. per annum, due in 1860 .	1,658
17,912— " " " " " 1862 .	1,075
68,540— " " " " " 1864 .	4,112
445,055— " " " " " 1873 .	26,703
121,316— " $5\frac{1}{2}$ " " " 1877 .	6,672
	Total £50,428

The unguaranteed Capital of this Company, as shown by the accounts to 31st January, 1858, amounted to £2,853,545 sterling. Dividends averaging $5\frac{3}{4}$ per cent. on the Capital entitled, were paid out of the year's profits, amounting to £151,651

This Company at its meeting in London, 7th April, 1858, authorised the creation of a Debenture 5 per cent. Preference Stock (£770,000),

with the option of conversion into ordinary shares before 1863 attached: required to redeem Provincial Government Bonds to a like amount.

HARTLEPOOL DOCK AND RAILWAY.

This Line has been leased for thirty-one years, from 1st July, 1848, to the North Eastern (Berwick) Company, at a rental equal to £8 per cent. per annum on the Share Capital (£440,570).

At the termination of the lease, the two Companies are to amalgamate at par, the Hartlepool Stock will then become Berwick Stock.

This Company maintains an existence independent of the North Eastern (Berwick) Railway Company. Its capital is represented by—

£440,570 Consolidated Stock. (*See NORTH EASTERN.*)

HEREFORD, ROSS, AND GLOUCESTER RAILWAY.

The Great Western Railway Company have this Line in their possession, under a working arrangement to the following effect. The gross receipts are in the first place charged with the interest on a sum not exceeding £91,000, the rate not over $4\frac{1}{2}$ per cent. (in the accounts to 31st December, 1857, the amount charged indicated £84,200); after this charge has been satisfied, the balance is to be apportioned, 60 per cent. as the working cost, 40 per cent. to this Company as and for rent. The amount so paid over on the half-year's working, to 31st December, 1857, amounted to £5,106.

This Company has incurred the following obligation:—

PREFERENCE.

ANNUAL CHARGE.

£30,000—Entitled to 5 per cent. per annum in perpetuity,
in shares of £20 each £1,500

The unguaranteed paid-up Capital to 31st December, 1857, amounted to £213,292, on which no Dividend was paid. The surplus profits on the half year to the above date amounted to £2,805, which with previous

amounts have been applied to the liquidation of claims on the Company; these having now been paid, Dividends will in future be paid. The £2,805 above noted, would have afforded a Dividend, after the rate of £2 12s. 7d. on the paid-up Capital.

The Company owe to Contractors on bonds, having about nine years to run, £33,467, at 5 per cent.; and to the Great Western £13,955, at 4½ per cent.; they have, however, £60,000 of unissued Capital.

HULL AND SELBY RAILWAY.

This Line has been leased to the North Eastern (York) Company in perpetuity, at a rental equal to 10 per cent. per annum on the Capital (£700,000), the lessees having the option (exercisable at any time after the 1st July, 1850, six months' previous notice being given) of purchasing the property on the following terms:—

Every original £50 share to receive	£112	10s.	0d.
„ £25 „ „	56	5	0
„ £12 10s. „ „	28	2	6

This Company exists as an independent body. Its Capital is represented by—

£400,000—In £50 shares.

200,000—In £25 shares (halves).

100,000—In £12 10s. shares (quarters). (*See NORTH EASTERN, YORK.*)

KENDAL AND WINDERMERE RAILWAY.*

This Company has incurred the following obligation:—

PREFERENCE.

£50,000—Entitled to 6 per cent. per annum in perpetuity.

The Capital account of the Company shows

ANNUAL CHARGE.

* On 3rd May, 1858, it was agreed between the Lancaster and Carlisle, Lancaster and Preston, and Kendal Companies, to amalgamate from 1st May, on terms which will give 1-28th part of the *net* income of the associated Companies to the Kendal Company, as its share.

£28,540 as for "Deposits and Calls," £3,868 as for "Deposits of £2 per share on 1,934 Preference Shares," and £9,132 as for "Loans on security of Preference Stock," making a total of £41,540. The ultimate charge will be £3,000 per year; the present charge is . . . £2,492

The unguaranteed Capital amounts to £111,700, on which dividends at the rate of 1 per cent. on the year were declared out of profits realised in 1857 £1,117

KENNET AND AVON CANAL.

This undertaking has been leased by the Great Western Railway Company, on terms which give six shillings per year to each share of the Company. The total annual rent paid is £7,373.

The Canal Capital is comprised of 25,328 shares of £39 18s. 10d. each. The full rent is £7,598, the difference being Income Tax.

LANCASHIRE AND YORKSHIRE RAILWAY.

This Company has incurred the following obligations:—

Leeds and Liverpool Canal.—This has been leased by the Lancashire and Yorkshire, the Midland, the East Lancashire, and the London and North Western Companies, on terms which appear to involve an annual liability on the four amounting to £78,239. The London and North Western Company notices the matter by a debit of £1,359, appearing as loss on the half-year's working to 31st December, 1857, on this and Rochdale Canal account.

GUARANTEES.

ANNUAL CHARGE.

Preston and Wyre Railway.—This Line has been leased in perpetuity by this and the London and North Western Railway Company. This Company's risk is two-thirds of £54,000 per year, or . . . £36,000
Carried forward £36,000

Brought forward	£36,000
North Union Railway.—This Line has been leased in perpetuity by this and the London and North Western Company, this Company's share being.	23,896
Sheffield and Barnsley Railway.—This Line has been leased at a present rental of £13,000 per year. (<i>See note*</i>)	13,000
Total Guarantees	<u>£72,896</u>

PREFERENCE.

£794,000—Entitled to 6 per cent. per annum in perpetuity;
is termed "Six per Cent. Guarantee Stock" . £47,642

The unguaranteed Capital amounts to £9,145,802, on which dividends averaging $4\frac{5}{8}$ per cent. were paid out of the profits realised in 1857, or £422,993

This Company and the East Lancashire Company are under engagements to the Blackburn Company, for particulars of which see BLACKBURN RAILWAY.

LEEDS AND LIVERPOOL CANAL.

This undertaking has been leased by the London and North Western, the Midland, the Lancashire and Yorkshire, and the East Lancashire Railway Companies, on terms which appear to give £27 per year to each £100 Canal Stock.

The Canal Capital is comprised of 2,897 $\frac{3}{4}$ shares of £100 each, the total being £289,775. The annual rent would amount to £78,239.

LEICESTER AND SWANNINGTON RAILWAY.

The Midland Company has taken a perpetual lease of this Line, guaranteeing 8 per cent. (£11,200) per annum on the capital, £140,000.

* This Company has a Bill before Parliament this session to absorb the Sheffield and Barnsley Company, and to convert its Capital, of £260,050, into a Preference Capital, bearing £5 3s. 10d. per cent. interest. If this Bill passes, the annual charge will be £13,500 per year.

This Company's affairs are managed by the Midland Company, who pay the Dividends, and attend to all other matters. The Capital exists as—

£140,000 in Stock. (*See MIDLAND.*)

LLANELLY RAILWAY AND DOCK.

This Company has incurred the following obligation :—

PREFERENCE.

ANNUAL CHARGE.

£55,340—Entitled to 5 per cent. per annum, *certain* in perpetuity, and to share in surplus general profits when they exceed 5 per cent. The shares are of £25 each £2,767

The unguaranteed Capital amounts to £199,680, on which a dividend of 1 per cent. out of the profits on the year to 31st December, 1857, was paid, or, as per the Company's statement £1,970

LLYNVI VALLEY RAILWAY.

This Company, at their meeting of 25th February, 1858, notified their intention to create the following Stock :—

PREFERENCE.

ANNUAL CHARGE.

£130,920—Entitled to 5 per cent. per annum in perpetuity (shares of £10 each) £6,546

The unguaranteed Stock of this Company amounts to £69,080, on which dividends, free of Income Tax, at the rate of $5\frac{1}{2}$ per cent. were paid, and £3,028 added to a previous reserve of £8,585, making a total of £11,613 set aside from revenue to meet the 5 per cent. Preference claim during the period which will be required to convert the present tram-road into a locomotive line. The total sum which was divided in 1857 amounted to . £3,799

LONDON AND BRIGHTON RAILWAY.

This Company has incurred the following obligations :—

GUARANTEES.	ANNUAL CHARGE.
East Grinstead Railway, leased in perpetuity	£2,000
Wimbledon and Croydon Railway, leased in perpetuity.	
The London and South Western are joint	
lessees with this Company of this property	1,820
Total Guarantees	<u>£3,820</u>

PREFERENCE.

£1,000—"Debenture Stock," entitled to 4 per cent. in perpetuity	£40
398,268—Entitled to 5 per cent. in perpetuity, subject to a right in the stockholder to relinquish the guarantee and to receive £74 of the original stock for every £108 of this stock (No. 1 Stock)	19,913
161,013—Entitled to 5 per cent. in perpetuity (No. 2 Stock)	8,051
82,000—Entitled to 5 per cent. in perpetuity (No. 3 Stock)	4,100
200,050—Entitled to 5 per cent. in perpetuity (No. 4 Stock)	10,002
393,395—Entitled to 6 per cent. in perpetuity, with the right to participate equally with the original stock in any surplus dividend beyond 6 per cent. Termed "Guaranteed 6 per Cent. Stock"	23,603
Total Preference	<u>£65,709</u>

The unguaranteed Capital amounts to £4,618,554, on which dividends at the rate of 6 per cent. were paid out of the profits of 1857, or £277,113

This Company have undertaken to work the West End and Crystal Palace Railway, which see for particulars.

This Company are seeking powers this session (1858) to purchase or lease the East Grinstead, the Wimbledon and Croydon, and the Lewes and Uckfield Railways ; they have likewise agreed to take a lease of the Mid-Sussex Railway, when completed, at 4 per cent. on £156,800, or £6,272 per year.

LONDON GAS COMPANY.

This Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£150,000—Entitled to 6 per cent. in perpetuity ; styled in the Share Lists “Parliamentary Preference” £25 shares	£9,000
100,000—Entitled to 6 per cent. in perpetuity ; termed “Blue Shares,” £50 each	6,000
50,000—Entitled to 6 per cent. in perpetuity ; termed “Red Shares,” £50 each	3,000
17,000—Entitled to 6 per cent. in perpetuity ; termed “1st Debenture Stock,” takes dividend next after the “Red Shares”	1,020
14,000—Entitled to 5 per cent. in perpetuity ; termed “2nd Debenture Stock”	700
Total Preference	£19,720

The two so-termed “Debenture Stocks” are the capitalised arrears of interest over due on the “Blue” and “Red” Shares.

The unguaranteed Capital amounts to £250,000, on which no dividend has been paid for many years past.

LONDON AND GREENWICH RAILWAY.

Incorporated 17th May, 1843.

This Line has been leased to the South Eastern Railway Company for 999 years. The lease has been sanctioned by an Act, bearing date 21st July, 1845. The rent per year is £45,000.

This Company has incurred the following obligation :—

PREFERENCE.

ANNUAL
CHARGE.

£209,294—Entitled to 5 per cent. per annum, in perpetuity.

The Capital exists in shares of £20 each . £10,465

The unguaranteed Capital amounts to £550,000, in shares of
£20 each. The dividends paid in 1857 were 10s. 7d.

per share £22,790

The loan (Debenture) debt of the Company and the cost attending management absorb the balance of the rent paid. About £50,000 of the Debentures are irredeemable, so far as the Company's will to pay them off is concerned.

LONDONDERRY AND ENNISKILLEN RAILWAY.

This Company agreed, 24th March, 1858, to make an arrangement with the Lough Erne Steam Navigation Company, by which the latter shall be assured of 5 per cent. per annum on £10,000.

The Company have incurred likewise the following obligations :—

PREFERENCE.

ANNUAL
CHARGE.

£3,800—"Debenture Shares," entitled to 5 per cent. per
annum, in perpetuity £190

30,120—Entitled to 6 per cent. per annum until 1st
October, 1866, and 5 per cent. in perpetuity
afterwards. The profits of the half-year only
are liable, no arrears can therefore accrue as a
claim. In shares of £10 each 1,807

Carried forward £1,997

Brought forward	£1,997
£250,229—Entitled to 5 per cent. per annum, in perpetuity, and to share with the unguaranteed stock beyond that rate ; dependent for payment of the 5 per cent. on the profits of the half-year, no claim for deficiencies can therefore be made. In shares of £12 10s. each	12,511
42,462—Entitled to 5 per cent. per annum in perpetuity, and to recover arrears. In shares of £12 10s. each. Termed “Guaranteed Preference Shares”	2,123
Total Preference	<u>£16,631</u>

The unguaranteed Capital amounts to £129,200, on which
no dividends have been paid from profits.

The full 6 per cent. interest appears by the accounts to 30th June
and 31st December, 1857, to have been paid on the £30,120, which
follows the Debenture Stock in right, and 3s. 9d. per Share in June
and 4s. 6d. in December on the £250,229, 5 per cent. Stock. The
last on the list (£42,462) received no dividend, the whole of the profit
balance having been absorbed but £126 5s. 10d. The net profits of
1855, amounted to £12,558 ; of 1856, to £16,499 ; of 1857, to
£18,110.

The Company have a loan of £47,647 from the Exchequer Loan
Commissioners, and about 20 years to pay it in ; the rate of interest is
4 per cent. per annum. The amount stood at £50,000, on the half-
year to 30th June, 1857.

LONDON AND NORTH WESTERN RAILWAY.

—♦—

This Company has incurred the following obligations :—

GUARANTEES.

ANNUAL CHARGE.

Bedford and Bletchley Railway.—This Line has been leased in perpetuity, at an annual rental of . . .	£1,936
Buckinghamshire Railway.—This Line has been leased	

in perpetuity, at a total annual rental of £49,800; as, however, the lessee Company is a large stockholder, this becomes reduced to an actual charge of £36,598

North Union Railway.—This Line has been leased by this and the Lancashire and Yorkshire Companies in perpetuity. The proportion of the whole rental of £63,250 per year, which falls on this Company, is 42,167

West London Railway.—This Line has been leased in perpetuity, at an annual rental of 1,800

The following are engagements in respect of which the Company debit themselves with the loss only, which is realised between the revenues of the railways leased and the respective rents paid.

Manchester, Buxton, and Matlock Railway.—This Line is leased until 1871 jointly with the Midland Company at $2\frac{1}{2}$ per cent. per annum on £421,300; the interest also on the Canal Capital (rather over £100,000). The half of the rental is this Company's share; the loss on the half-year to end of 1857 is stated at £429; the proportion of actual rent is £5,263

Preston and Wyre Railway.—This Line is leased in perpetuity, conjointly with the Lancashire and Yorkshire Company. There is no debit in the Company's accounts for other than the loss on the lease, which in the half-year to 31st December, 1857, is stated as £2,221. The share of the actual rental this Company is liable to is 18,000

Birmingham Canal.—This undertaking is leased at 4 per cent. per annum on the Capital, which is believed to be £783,943; as neither the actual rental profit or loss appear in the Company's accounts, it is presumed that the revenue received meets the engagement which, if the Capital stated be correct, is 31,358

Leeds and Liverpool Canal. } These undertakings are also
 Rochdale Canal. } leased—the former, certainly, to
 this, the Midland, the Lancashire and Yorkshire,
 and the East Lancashire Companies; the latter,
 probably, to this Company only; £78,239 is
 believed to be the rental of the former;
 £22,676, of the latter. In the London and
 North Western accounts to 31st December,
 1857, the matter is noted as one which carried
 a loss of £1,359 on the two Canals. The full
 annual engagement on the two undertakings
 is believed to be £100,915

Birmingham, Wolverhampton, and Stour Valley Railway.—
 This Line is leased in perpetuity, the share-
 holders receiving as rent a dividend equal to
 two-thirds the London and North Western
 dividend on a capital of £760,350 . . . Variable.

Shropshire Union Railway.—This Line has been leased on a
 rental equal to one-half the London and
 North Western dividend, on a capital of
 £1,552,564. Arrangements are in progress
 for a complete amalgamation of the lessor
 and lessee Companies Variable.

PREFERENCE.

£402,380—“Debenture $3\frac{1}{2}$ per Cent. Perpetual Stock.”
 The necessary powers to issue £5,000,000
 of this Stock exist; when issued, a saving of
 £50,000 per year at least will be made. The
 annual charge on the whole £5,000,000 will
 be £175,000: the present charge is . . . £14,083

270,000—“Coventry and Nuneaton Stock.”—Entitled to
 5 per cent. per annum in perpetuity . . . 13,500

Total Preference £27,583

The total unguaranteed Capital on 31st December, 1857,
 amounted to £22,500,987, on all of which (except
 that paid up on the Eighths, which receive 4 per
 cent. only until fully called up), 5 per cent. was paid

out of the profits realised in the year 1857 ; the total dividend was £1,149,358

The North and South Western Junction Railway (which see) is leased to this and the London and South Western Companies, under a working engagement, which appears to carry no loss with it.

The Chester and Holyhead Railway (which see) is worked by this Company, on terms which appear to carry no loss with them.

The South Staffordshire Railway (which see) will become a charge on this Company, from August, 1858, at $4\frac{1}{2}$ per cent. per annum on £945,000, or £42,525 per year, to be reduced from August, 1871, to 4 per cent., or £37,800 per year ; £600 per year for management, and 5 per cent. on the estimated value of the Plant to be taken by the lessees, will have to be paid in addition to the stipulated rent.

LONDON AND SOUTH WESTERN RAILWAY.

This Company has incurred the following obligations :—

PREFERENCE.

ANNUAL CHARGE.

£14,400—Entitled to 5 per cent. in perpetuity ; termed “ Gosport Stock ”	£720
171,277—Entitled to 7 per cent. in perpetuity ; termed “ 7 per cent. Stock ”	11,989
Total Preference	<u>£12,709</u>

The unguaranteed Capital of this Company on 31st Dec., 1857, amounted to £7,176,970, being £8,188 in excess of the previous half-year. The Dividends on the whole year were equal to 5 per cent., and absorbed £359,439

This Company and the London and North Western Company have a joint arrangement respecting the “ North and South Western Junction Railway ” (which see), which appears to entail no cost on either.

LONDON, TILBURY, AND SOUTHEND RAILWAY

This Company's Lines are leased by Messrs. Peto, Betts, and Brassey, until 30th June, 1875, at 6 per cent. on the Capital, and half surplus profits.

The Company's Capital is made up as follows :—

£450,700—Stock.

50,000—New Shares of £10 each.

150,000—Shares of £10 each, created for the Barking Branch line.

£650,700—6 per cent. on which amounts to £39,042 per year.

LOUTH NAVIGATION.

This undertaking, comprised in the East Lincolnshire leasing engagement, has been taken for twenty-nine years from 1857, at an annual charge of £1,500 by the Great Northern Railway Company.

The particulars of the Capital cannot be given.

LOWESTOFT RAILWAY.

This Line has been leased to the Norfolk Railway Company, on terms which give to the two Capitals the rates of return affixed to each.

£120,000—Guaranteed 4 per cent. in perpetuity. On £88,120 the right to half surplus profits attaches; not so to the balance, £37,880, which is limited to 4 per cent. “Four per cent. Stock,”

120,000—Guaranteed 6 per cent. net in perpetuity. “Six per cent. Stock.”

MACCLESFIELD CANAL.

This undertaking has been leased by the Manchester, Sheffield, and Lincolnshire Railway Company at £6,605 per year. The Capital is represented by—

£300,000, in 3,000 Shares of £100 each. The rent admits of £2 4s. 0d. per Share being paid, less the attendant expenses.

MANCHESTER, BUXTON, MATLOCK, AND MIDLAND JUNCTION RAILWAY.

This Line is leased by the London and North Western and Midland Railway Companies for a term of 19 years, commencing 1st July, 1852, at an annual rent equal to $2\frac{1}{2}$ per cent. on the paid-up Capital (£421,300), raised in £5 10s. shares. The interest due on the Canal Capital is paid by the lessees. The annual rent amounts to £5,263.

MANCHESTER, SHEFFIELD, AND LINCOLNSHIRE RAILWAY.

This Company has incurred the following obligations :—

GUARANTEES.					ANNUAL CHARGE.
Peak and Forest Canal, Annuity charge	.	.	.	.	£9,325
Macclesfield " "	.	.	.	.	6,605
Ashton " "	.	.	.	.	12,364
Total Guarantees					<u>£28,294</u>

PREFERENCE.

£2,370,000—Debenture 4 per cent. Perpetual Stock, the ultimate charge on which will amount to

£94,800 per year: as, however, £19,519 only
had been received to 31st Dec., 1857, the
present charge is £781

£1,035,000—6 per cent. Stock until October, 1870, and in perpetuity should the Company not exercise its power to redeem at par before October, 1875: is termed, “£6 Preference Shares.” The full annual charge, when all has been called up, will be £62,000: as, however, £794,517 only had been received to 31st Dec., 1857, the present charge is *	47,671
366,628—3½ per cent. Perpetual Stock	11,917
872,000—6 per cent. Perpetual Stock, with right to participate in surplus profits	52,320
	<u>£112,689</u>

The original Capital is £3,928,579, on which a Dividend
of 1 per cent. was paid on the year to 31st December,
1857. The Dividend paid represents a Capital of
£3,900,400 £39,004

This Company and the St. Helen's Company have entered into an
agreement to lease the Warrington and Stockport Railway (which see),
on terms which involve a charge in 1858 on the two Companies of
£11,409, in 1859 of £13,039, in 1860 of £14,669 in 1861, of £16,299,
and so to continue until the Capital is redeemed, with 10 per cent.
bonus; the proportions each company will have to meet is not stated.
The borrowed capital constitutes a further charge on the lessees. The
London and North Western oppose this arrangement.

MARYPORT AND CARLISLE RAILWAY.

This Company has incurred the following obligations:—

PREFERENCE.

ANNUAL CHARGE.

£83,912—Entitled to 4 per cent. in perpetuity, and to partici-
pate in all profits over 5 per cent. paid on the

* The Company's accounts show £23,685 and £23,686 as the two half-years' dividends paid on this Stock, or £47,371 on the year 1857.

unguaranteed Stock ; termed "4 per Cent. £12 10s. 0d. Preference Shares"	£3,358
£91,200—Entitled to $4\frac{1}{2}$ per cent. in perpetuity, and to share in all surplus profits after $4\frac{1}{2}$ per cent. has been paid to all the Share Capital ; termed " $4\frac{1}{2}$ per Cent. Preference £12 10s. 0d. Shares"	4,104
77,713—Entitled to 5 per cent. until September, 1862, and afterwards until redeemed on six months' notice at par. The Company having made a partial issue only of these Shares (£25,012 to 31st December, 1857), are about to make an effort to place the whole sum. The ultimate annual charge will amount to £3,885 ; termed "5 per Cent. Prefer- ence £12 10s. 0d. Shares." The present charge is	£1,251
Total Preference-	<u>£8,713</u>

The value of surplus profit arrangements is shown in this Company's case the Dividend on the half-year's traffic to 31st December, 1857, having admitted of 5 per cent. per annum being distributed over all the Capital, the $4\frac{1}{2}$ per cents. consequently received at the rate of 5 per cent. The unguaranteed Capital amounts to £167,175, and the paid-up Preference Capital to £198,400—£365,575 in all. The half-year's Dividend, therefore, at the 5 per cent. per annum rate would amount to £9,139 : as, however, some portion of the 5 per cent. shares did not carry a full half-year's interest, the amount to the credit of revenue sufficed, or £9,114

MIDDLESBRO' AND GUISBRO' RAILWAY.

This Line, subject to Parliamentary approval, has been leased to the Stockton and Darlington Railway Company, at a rental which shall give 6 per cent. per annum from 1859 (5 per cent. for 1858) to its Share Capital, which is understood to amount to £96,000. (*See STOCKTON AND DARLINGTON.*)

MID-KENT RAILWAY.



This Company and the South Eastern Company have entered into an agreement, of which the following is an outline. The approval of both Companies was obtained 25th February, 1858, and the ratification of Parliament is alone required to give it validity. The Share Capital of the Company is £80,000, in 3,200 shares of £25 each. The loan powers are £25,000.

“The South Eastern Company to guarantee dividend upon the capital expended by the Cray’s Company in the construction of their line from Bromley to Chiselhurst, as a double line of way, at the rate of 3 per cent. for the first two years, $3\frac{1}{2}$ per cent. for the next year, and 4 per cent. thenceforward, excepting when the South Eastern capital should receive more than 5 per cent. on the consolidated stock, in which case the dividend upon the Cray’s Capital was to be increased *pari passu* with that of the South Eastern Company, over and above the guaranteed dividend of 4 per cent.

“The Chairman of the South Eastern stated that the agreement was subject to the sanction of Parliament to a Bill authorising the lease, and that it was provided that the South Eastern Company should in the meantime work the line upon terms, as nearly as was legally identical with those for the proposed lease.”

MIDLAND RAILWAY.



This Company has incurred the following calculable obligations, besides which, the Leeds and Liverpool Canal is leased by this, the London and North Western, the Lancashire and Yorkshire, and the East Lancashire Companies. The total annual charge on the four Companies is believed to amount to £78,239. The London and North Western, however, alone notices the matter in its accounts, £1,359 being debited as the loss on the half-year’s working to 31st

December, 1857, of this and the Rochdale Canals. The actual weight of this engagement cannot be apportioned :—

GUARANTEES.	ANNUAL CHARGE.
Sheffield and Rotherham Railway.—Leased in perpetuity, at a rental equal to 6 per cent. on £150,000	£9,000
Erewash Valley Railway.—Leased in perpetuity, at a rental equal to 6 per cent. on £145,000, and with the right, also, to share in surplus profits	8,700
Leicester and Swannington Railway.—Leased in perpetuity, at a rental equal to 8 per cent. on £140,000	11,200
Total Guarantees	
	<u>£28,900</u>

PREFERENCE.

£1,800,000—"Midland Bradford Stock," entitled to 4 per cent. in perpetuity	£72,000
25,000—"Midland 6 per Cents.," entitled also to share in surplus profits	1,500
1,239,467—Entitled to $4\frac{1}{2}$ per cent. per annum until such time as the Company choose to redeem the stock at par, which it can do at any time on giving six months' notice ; termed "Redeemable $4\frac{1}{2}$ per Cents."	55,776
1,799,903—Entitled to 6 per cent. per annum, until the Company choose to redeem the stock at £50 per cent. premium (known as "Bristol and Birmingham 6 per Cents.")	107,993
675,000—Leicester and Hitchin Stock, entitled to 4 per cent. in perpetuity ; termed "Leicester and Hitchin Preference"	27,000
25,690—Entitled to 4 per cent. in perpetuity	1,037
903,432—Entitled to $4\frac{1}{2}$ per cent. in perpetuity, with Carried forward	<u>£265,306</u>

Brought forward	£265,306
the right in the stockholder to give up his preference right before 26th June, 1860, and become an ordinary shareholder, "Con- vertible $4\frac{1}{2}$ per Cents."	40,654
Total Preference	<u>£305,960</u>

The unguaranteed Midland Capital amounts to £9,025,464, and the Birmingham and Derby to £978,533. The proportion of the profits of 1857 which passed to the former equalled $4\frac{5}{8}$ per cent. on the year, and $3\frac{1}{4}$ per cent. to the latter, the total sum distributed amounting to £449,230

MID-SUSSEX RAILWAY.

This Line has been leased by the London and Brighton Railway Company in perpetuity, at a rental equal to 4 per cent. per annum on the cost of construction, not exceeding £156,800, at which sum they have reserved the right to purchase. Mr. M'Cormick has contracted to complete the Line for the sum named. The annual rent will therefore be £6,272.

The authorised Capital is £160,000, in shares of £10 each.

The rent will commence from the completion of the Line, which is expected by the beginning of 1859.

MONKLAND RAILWAY.

This Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£55,000—Entitled to 6 per cent. per annum in perpetuity ; termed "Guaranteed 6 per Cent. Shares," £25 each	£3,300
Carried forward	<u>£3,300</u>

Brought forward	£3,300
£40,000—Entitled to 5 per cent. per annum in perpetuity ; termed “Guaranteed Five per Cent. Shares,” £25 each	2,000
75,000—Entitled to 4½ per cent. per annum, with the right attached to waive the Preference and become an ordinary shareholder, such right to be exercised not earlier than 31st August, 1859, nor later than the same date in 1862 ; termed “Guaran- teed Four and One-half per Cent. Shares,” £25 each	3,375
Total Preference	<u>£8,675</u>

The Consolidated Stock of this Company on 31st December, 1857, amounted to £329,879 ; this will, however, be increased by £170,120, created in August, 1857 ; of this but £19,107 was entitled to dividend at the end of the year. The dividends declared out of 1857 profits were at the rate of 8 per cent., or £26,677

MONMOUTHSHIRE RAILWAY AND CANAL.

This Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£112,500—Entitled to 5 per cent. per annum in perpetuity ; “Preference Stock, created under Act of 1848”	£5,625
150,000—Entitled to 5 per cent. per annum until 1860, and then to become ordinary stock. £835 10s. was in arrear 30th June, 1857 ; “£10 Pre- ference Shares, created under Act of 1853”	7,500
202,500—Entitled to 5 per cent. per annum in perpetuity ; “£30 Preference Shares, created under Act of 1855.” The ultimate annual charge will be £10,125 : as, however, to 30th June, 1857, Carried forward	<u>£13,125</u>

Brought forward	£13,125
but £156,636 had been paid up, the present charge is	7,832

Total Preference £20,957

The unguaranteed Capital worked out by the dividend paid on the half-year to 30th June, 1857, amounts to £336,000; the Company's figures show £360,000. The rate on the full year to that period was $4\frac{1}{2}$ per cent., or £15,120

The accounts rendered by this Company are always nearly five months after date, hence the particulars to 30th June last only can be given.

NAMUR AND LIEGE RAILWAY.

The Namur and Liege section of this line has been leased for the period of the concession to the Northern of France Company at £40,000 per year, and a Bill is before the Belgian Chambers to authorise a lease of the Mons and Manage portion to the Belgian Government. The two arrangements will, it is understood, meet all engagements, and leave an amount in hand sufficient to give £2 16s. per cent. per annum to the ordinary Share Capital.

The Company's Capital is represented by—

BONDS.	ANNUAL CHARGE.
£1,200,000—Of £20 each, guaranteed 3 per cent. per annum, redeemable by a sinking fund out of the Northern of France rent, by annual drawings, spread over 87 years	<u>£36,000</u>

PREFERENCE.

£200,000—Entitled to 6 per cent. per annum during the period of the concession. In shares of £20 each	<u>12,000</u>
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The ordinary Capital exists in shares of £20 each, and amounts to £531,900, on which dividends of 10 francs per share were paid in 1857.

NEW BRUNSWICK AND CANADA RAILWAY AND LAND COMPANY (LIMITED).

This Line has been guaranteed by the Colonial Legislature 6 per cent. minimum on £800,000 for twenty-five years from the completion of the Line to Woodstock, and a free grant of more than 200,000 acres of land lying contiguous to the railway.

The Capital is represented by—

£800,000—In shares of £20 each, termed “A Shares.” To this portion of the Capital alone the Government guarantee attaches, and 16,000 acres of land.

140,000—In shares of £20 each, termed “B Shares.” No guarantee attaches to these shares, but 105,000 acres of land pass to them.

With the A and the B Shares, land certificates also are issued.

80,000—In shares of £20 each, termed “C Shares.” Each one of these shares (4,000) is entitled to 15 acres of land, but no guaranteed interest attaches.

NEWCASTLE AND CARLISLE RAILWAY.

This Company has incurred the following obligation :—

PREFERENCE.	ANNUAL CHARGE.
£150,000—Entitled to 4 per cent. per annum in perpetuity ;	
“£100 Preference Shares”	£6,000

The total amount of unguaranteed Capital is sued to 31st December, 1857, was £1,120,606, on which dividends from the profits of that year, at the rate of $5\frac{1}{2}$ per cent. have been paid, or £61,633

NEWMARKET (BURY EXTENSION) RAILWAY.

This Line is leased to the Eastern Counties Railway Company, who pay an annual rent of £7,121, which yields 5 per cent. upon the capital expended (£142,425), raised in shares of £6 5s. each, of which £5 5s. 6d. only have been called up. The shares are therefore guaranteed 5 per cent. per annum. The Newmarket Company have to bear the costs of their independent existence out of the Rent realised. (*See EASTERN COUNTIES.*)

NEWPORT, ABERGAVENNY, AND HEREFORD RAILWAY.

This Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£98,700—Entitled to 5 per cent per annum, certain, until 1st January, 1860, at any time after which date, on six months' notice, the Company has reserved the right to itself to redeem the stock at £5 premium per cent. The 5 per cent. to continue until the stock is redeemed ; termed "5 per Cent. Redeemable Preference Shares" . . .	£4,935
220,906—Entitled to 6 per cent. per annum in perpetuity, the holder having the right to exchange into ordinary stock at par at any time before 17th April, 1866 ; termed "6 per Cent. Perpetual Preference Shares"	13,254
Total Preference	£18,189

The unguaranteed Capital amounts to £547,260, on which no Dividend was paid in 1857. The accounts to 31st December, 1857, having the advantage of previous credits, admitted of the payment of the Debenture and Preference charges, a balance of £887 remaining undisposed of.

NEWRY, WARRENPOINT, AND ROSTREVOR RAILWAY.

This Company has incurred the following obligation :—

PREFERENCE.	ANNUAL CHARGE.
£12,758—Entitled to 6 per cent. per annum in perpetuity ; has been raised to extinguish Debenture Debt, and may be carried up to £20,000, authority to that effect having been given by the Shareholders, 31st August, 1857. The ultimate charge will be £1,200 per year, the present is	£765

The unguaranteed Capital appears from the accounts to 31st December, 1857, to amount to £83,625, on which no Dividend was paid. The balance of profit to credit at that date was £707.

NORFOLK RAILWAY.

This Company has incurred the following obligations :—

GUARANTEE.	ANNUAL CHARGE.
£120,000—Entitled to 4 per cent. in perpetuity ; termed "Lowestoft 4 per Cents."	£4,800
£447,000—"Debenture Stock," entitled to 4 per cent. in perpetuity	£17,896
300,000—Entitled to 5 per cent. in perpetuity ; termed "Norfolk 5 per Cents."	15,000
105,000—Entitled to 5½ per cent. in perpetuity ; termed "Norfolk 5½ per Cents."	5,775
120,000—Entitled to 6 per cent. in perpetuity ; termed "Lowestoft 6 per Cents."	7,200
36,980—Entitled to 5 per cent. in perpetuity ; termed "Waveney Valley Stock"	1,849
14,420—Entitled to 5 per cent. in perpetuity ; termed "New 5 per Cent. Shares of £5 each"	721
Total Preference	£48,441

The unguaranteed Capital of this Company amounts to £991,470, on which Dividends were paid out of Eastern Counties general profits, equal to $3\frac{1}{2}$ per cent. on the year 1857, or £34,701

This Company is associated with the Eastern Counties and the Eastern Union, in a working arrangement of the three lines, the details of which will be seen under "Eastern Counties." Out of the 1-7th of the final profits which pass to this Company, it has to meet the above Guarantee and Preference engagements, as well as the cost of the independent existence it maintains.

NORTH BRITISH RAILWAY.

This Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£780,200—5 per cent. Perpetual Stock termed "5 per Cent. Guaranteed Stock"	£39,010
223,272—5 per cent. Perpetual Stock ; termed "£7 Guaranteed Shares," on which the ultimate charge per year will amount to £11,163 : as, however, but £125,016 had been paid up on 31st January, 1858, the present charge is	6,251
	<u>£45,261</u>

The Dividend paid on the ordinary Stock for the year ending 31st January, 1858, was at the rate of $2\frac{3}{4}$ per cent. on a Capital of £2,502,060 : the total sum divided was therefore £68,807

NORTH DEVON RAILWAY AND DOCK.

This Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£38,421—Entitled to 6 per cent. until April, 1861, after	

which date the Company can at any time, on giving 6 months' notice of their intention, redeem the amount at 10 per cent. premium. The 6 per cent. to continue until redeemed. Termed "6 per cent. Redeemable Preference Shares of £16 each" £2,305

This Line is leased to Mr. Brassey until August, 1861, at an annual rental of £12,000 per year, and half excess profits over working expenses. The unguaranteed Capital is £293,292, on which a Dividend of 16s. 8d. per cent. on the half-year's working, to 31st December, 1857, was paid, or £1,222. On the previous half-year the Dividend absorbed £1,328. On the whole year therefore (1857), the sum divided was £2,550

This Company is one of the many examples of small undertakings which are eaten up by the costs of management, &c., 1-12th ($8\frac{1}{2}$ per cent.) of the whole rent paid by Mr. Brassey being so absorbed.

NORTH EASTERN RAILWAY.

This Company is comprised of the late York, Newcastle, and Berwick (now Berwick), the late York and North Midland (now York), the late Leeds Northern (now Leeds), and the Thirsk and Malton Companies.

BERWICK (NORTH EASTERN).

This Company has incurred the following obligations:—

GUARANTEE.	ANNUAL CHARGE.
Hartlepool Dock and Railway, leased at 8 per cent. on £440,570, until 30th June, 1879 . .	£35,246
Great North of England, Clarence, and Hartlepool Junction Railway, leased at 5 per cent. in perpetuity on £55,788	2,789
Total Guarantees	<u>£38,035</u>

PREFERENCE.

ANNUAL
CHARGE.

£2,645,502—Entitled to 4 per cent. in perpetuity, the holder having the right to relinquish the Preference and become an ordinary Shareholder at par at any time hereafter. The right to convert has already been exercised to some extent. The ultimate charge will be £105,820 per year : as, however, but £1,737,298 had been paid up to 31st December, 1857, the present charge is . . . £69,492

The unguaranteed Capital on 31st December, 1857, had reached £6,681,211. The Dividends paid out of the profits of 1857, were 5 per cent., or . . . £329,885

THE YORK COMPANY (NORTH EASTERN).

This Company has incurred the following obligations :—

GUARANTEE.

ANNUAL
CHARGE.

Hull and Selby Railway, leased in perpetuity, at 10 per cent. on £700,000 £70,000

PREFERENCE.

£1,521,800—Hull and Selby Purchase Capital, entitled to $4\frac{1}{2}$ per cent. on £10 of the £25 share, and 5 per cent. on the remaining £15. By the accounts to 31st December, 1857, £608,560 was entitled to $4\frac{1}{2}$ per cent., and £53,574 to 5 per cent. For good financial reasons no further part of this Capital is likely to be called up. The present charge may therefore be taken as the permanent guide. The Company may at any time, on giving 6 months' notice, redeem this stock at par. The present charge is . . . £30,064

130,000—4 per cent. Perpetual Stock. The ultimate annual charge will be £5,200 per year : as, however, but £94,405 had been paid

Carried forward £30,064

Brought forward	£30,064
up to the 31st December, 1857, the present charge is	3,776
Total Preference	<u>£33,840</u>

The unguaranteed Capital is £3,218,920, on which Dividends at the rate of 4 per cent. were paid out of the profits of 1857, or *£128,753

The York Company possess powers to create a Debenture 4 per cent. Stock, as well as a 4 per cent. Stock to redeem the Hull and Selby Purchase Capital; the latter would however be more properly called a 2 per cent. per half-year Stock, the right being limited to the profits of each half-year.

THE LEEDS COMPANY (NORTH EASTERN).

This Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£125,625—Entitled to 6 per cent. in perpetuity ($\frac{1}{4}$ ter Shares). The ultimate annual charge will be £7,537 : as, however, to 31st December, 1857, but £101,830 had been paid up, the present charge is	£6,109
153,000—Entitled to 6 per cent. in perpetuity (No. 1 Shares). The ultimate annual charge will be £9,180 : as, however, but £100,260 had been paid up, the present charge is	6,015
80,000—Entitled to 6 per cent. in perpetuity (No 2 Shares). The ultimate annual charge will be £4,800 : as, however, but £68,779 had been paid up, the present charge is	4,126
149,300—Entitled to 6 per cent. in perpetuity (No. 3 Shares). The ultimate annual charge will be £8,958 : as, however, but £37,950 had been paid up, the present charge is	2,277
Carried forward	<u>£18,527</u>

* The exact sum should be £128,757 ; the difference is no doubt owing to calls in arrear.

Brought forward	£18,527
£34,720—Entitled to 5 per cent. in perpetuity (Fifth Shares), of which £33,658 having been paid, the whole is treated as chargeable	1,736
Total Preference	<u>£20,263</u>

The unguaranteed Capital amounts to £1,393,002, on which Dividends at the rate of $2\frac{1}{4}$ per cent. were paid out of the profits of 1857, or £31,342

NORTH AND SOUTH WESTERN JUNCTION RAILWAY.

The London and North Western, and the London and South Western Companies' arrangement with this Company dates from January, 1853 ; by its terms they have guaranteed to this Company such a tonnage of goods at agreed rates as shall ensure a 3 per cent. minimum return on £65,000, the original Share Capital ; as, however, this Company has added to its outlay by the construction of a branch line to Hammersmith, without at the same time stipulating for an equivalent increase of guaranteed traffic, the Company has not in past half-year, on the old and the new Capital, been able to keep up a 3 per cent. dividend. On the half-year to 31st December, 1857, the rate was $1\frac{1}{4}$ per cent. ; on the previous half-year, £1 16s. 8d. per cent., the total Capital having increased in the intermediate period.

Should the natural traffic admit of it, the whole of the profits up to 6 per cent. pass to this Company, all beyond being divided equally between the lessor and the lessees.

The Capital is as follows :—

£65,000—Original Share Capital, in shares of £10 each.

18,916—Loans to 31st December, 1857.

15,000—Hammersmith Branch, in shares of £10 each.

4,600—Hammersmith Temporary Loan.

NORTH STAFFORDSHIRE RAILWAY.

This Company has entered into a conditional agreement with the Cannock Mineral Railway Company, which appears to entail no present charge.

The Company has incurred the following obligation :—

PREFERENCE.	ANNUAL CHARGE.
£1,170,000—Entitled to 5 per cent. per annum in perpetuity; and as the unguaranteed Share Capital receives over 5 per cent., this stock is to increase equally up to £6 6s. 8d. per cent., at which it is to stop. In shares of £20 each	£58,500

The unguaranteed Capital amounts to £2,826,372, on which from the profits of the year to 31st December, 1857, dividends at the rate of 4 per cent. were paid, or .£113,054

NORTH UNION RAILWAY.

This Line has been leased in perpetuity to the London and North Western and Lancashire and Yorkshire Companies.

The Company has two classes of Stock—that termed A. being North Union, in amount, £477,326 14s. ; that termed B. being Bolton and Preston, £261,874.

The A. stock is guaranteed £10 per cent. per annum,—the B. stock £7 per cent.

The guaranteed rent, £66,063 per year, is provided in the following proportions : $\frac{6}{9\frac{1}{4}}$ parts by the London and North Western Company, and $\frac{3}{9\frac{1}{4}}$ parts by the Lancashire and Yorkshire Company. (See THE LESSEE COMPANIES.)

NORTH WESTERN RAILWAY.

—♦—

This Company has incurred the following obligation :—

PREFERENCE.

ANNUAL CHARGE.

£126,285—Entitled to 5 per cent. per annum until redeemed at par, the right to effect which can be exercised at any time hereafter on six months' notice from the Company. The shares are £15 each, at which they will be redeemed, though but £11 have been paid, the other £4 being the discount at which they were issued . £6,314

This Company's line has been leased by the Midland Company until 31st May, 1866, an interim power existing to amalgamate at the respective values of the two properties, by or before 31st May, 1859. One half of the gross receipts constitutes the positive rent-charge, two-thirds of any excess in their total beyond £47,000 per year passing to this Company, the other third going to the Midland Company. The gross revenue earned in 1857 amounted to £50,123, which, after the Midland share and all Preference charges had been met, allowed one dividend of 2s. per £20 share to be paid, free of Income Tax ($\frac{1}{2}$ per cent. on the year), the amount so absorbed being £3,912.

NORTHERN AND EASTERN RAILWAY.

—♦—

This Line has been leased to the Eastern Counties Railway Company for 999 years.

One proportion of the stock, £910,800, in £50 shares, is guaranteed a minimum dividend of 5 per cent. per annum, with participation in all new issues of shares ; and when the Eastern Counties divides more than 5 per cent., then a rateable proportion of such excess is to be divided amongst the holders of this stock.

The other proportion of the stock, £269,600, in £50 shares, is guaranteed a minimum dividend of 6 per cent., and a further rateable proportion of the overplus when the Eastern Counties divides more

than 6 per cent. This class does not participate in new issues of shares.

This Company maintains an existence independent of the Eastern Counties Railway Company (which see).

OXFORD, WORCESTER, AND WOLVERHAMPTON RAILWAY.

This Company has incurred the following obligations :—

GUARANTEES.	ANNUAL CHARGE.
Stratford Canal Annuities and Loans	£2,536
„ Rent charges	4,714
Stratford and Moreton Railway, rent	2,538
Total Guarantees *	<u>£9,888</u>

PREFERENCE.

£350,000—"Debenture Stock," entitled to $4\frac{1}{2}$ per cent. in perpetuity. The ultimate annual charge will amount to £14,000: as, however, but £138,570 had been called up to the end of 1857, the present charge is	£6,236
849,990—Entitled to 6 per cent. in perpetuity; is termed "First Guaranteed Stock"	50,999
500,000—Entitled to 6 per cent. until redeemed at 15 per cent. premium, to effect which operation the Company have the power, on giving three months' notice, at any time hereafter; termed "Second Guaranteed (Redeemable) Stock"	30,000
Total Preference	<u>£87,235</u>

* This Company has agreed to lease the Worcester and Birmingham Canal, on terms which will give £1 per annum to each Share of £78 8s. 0d. The annual certain charge, when it commences, will therefore be £6,000, the number of Shares being 6,000: this £1 is, however, to advance as the railway prospers until it reaches a maximum £2 per Share, or £12,000 per year. The matter being only partially settled, the arrangement has not been included as a present positive charge.

The accounts to 31st December, 1857, show the payment of all the above, except in the case of the last on the list, on which only half the stipulated dividend was paid. The unguaranteed Stock amounts to £1,418,340, the return to which has necessarily been *nil*.

PEAK FOREST CANAL.

This undertaking has been leased by the Manchester, Sheffield, and Lincolnshire Railway Company, at £9,325 per year.

The Capital is represented by :—

£43,200—in 2,400 shares of £18 each ; the rent admits of £3 17s. 10d. per share being paid, less the attendant expenses.

PEEBLES RAILWAY.

This Company has incurred the following obligation :—

PREFERENCE.

ANNUAL CHARGE.

£27,000—Entitled to 5 per cent. per annum. The amount subscribed for on 31st August, 1857, was £13,540, on which at that date £1,862 had been paid up. The ultimate charge will be £1,350 per year. The charge at the above date was £93

The paid up unguaranteed Capital amounted on 31st August, 1857, to £68,580 (the total authorised is £70,000), on which a Dividend at the rate of $2\frac{1}{2}$ per cent per annum was then declared, or £857

PRESTON AND WYRE RAILWAY.

This Line is leased in perpetuity to the Lancashire and Yorkshire and the London and North Western Companies, on terms which give

£7 17s. 2d. per cent. to the ordinary Share Capital, and £12 17s. 2d. to the Preference Capital.

The total Capital of £668,000 exists as follows :—

£30,000—Preference, in Shares of £25 each—Dividend, £3 4s. 3½d. per year.

363,000—In Shares of £25 each . . } —Dividend, £1 19s. 3½d.
41,000—In Shares of £25 each (B's) } per year.

209,000—In Shares of £12 10s. 0d. each (A's)—Dividend, 19s. 7½d. per year.

25,000—In Shares of £4 3s. 4d. each (Sixths)—Dividends, 6s. 6½d. per year.

READING, GUILDFORD, AND REIGATE RAILWAY.

This Line, under powers contained in the Act of incorporation, was leased to the South Eastern Railway Company, the rent ultimately guaranteed being equal to 5½ per cent. per annum, on a capital of £800,000.

Subsequently an Act has been obtained under which the Reading and Reigate Company became dissolved, and the £800,000 Capital converted into "South Eastern (Reading) Annuities." The amount of each annuity is £1 0s. 6d. (*See SOUTH EASTERN.*)

RECIFE AND SAN FRANCISCO (PERNAMBUCO) RAILWAY (LIMITED).

This Company is constituted under decrees of the Emperor of Brazil, and laws of the Imperial Brazilian and Pernambuco Provincial Legislatures. The period and terms of the concession are in all essential points the same as the "Bahia" (which see).

The Capital is represented by—

£1,200,000, in Shares of £20 each. The interest of 7 per cent. is payable out of Capital during construction, and the prospectus states that the amount is sufficient to meet this engagement and to complete the railway. The interest is paid half-yearly in London.

ROCHDALE CANAL.

This undertaking is leased to the London and North Western Railway Company, on terms which appear to give £4 per share to every £85 share of the Canal Company.

The Canal Capital is comprised of 5,669 shares of £85 each (£481,865). The annual rent would amount to £22,676.

ROYSTON AND HITCHIN RAILWAY.

This Line is leased in perpetuity to the Great Northern Railway Company at 6 per cent. per annum (£16,000) on £266,675 Capital. No power to redeem exists. The Great Northern has sublet the line to the Eastern Counties.

The Capital of £266,675 exists as Consolidated Stock. The Company deduct 4s. per year on each £100 Stock from the Dividend warrants. The cost of independent existence is, therefore, £533 per year, the East Lincolnshire cost, as made by the Great Northern Company, being £150 only.

SAMBRE AND MEUSE RAILWAY.

This Company has incurred the following obligation :—

PREFERENCE.

£170,000—Entitled to $5\frac{1}{2}$ per cent. per annum during the period of the Company's lease (99 years from

ANNUAL CHARGE.

completion of the line), and to share in surplus profits with the original shares when they divide over £5 per cent.—in shares of £10 each £9,350

The unguaranteed Capital amounts to £620,000, in shares of £20 each, on which a first dividend of 1s. 6d. per share from profits was approved at the English Meeting, 20th April, 1858, or £2,325

The Belgian Government make up £8,000 per year to this Company on certain branch lines, if the profits on them do not realise that amount. The sum paid over on this account on the year to 31st December, 1857, was £6,583.

SCOTTISH CENTRAL RAILWAY.

This Company has incurred the following obligations:—

PREFERENCE.

ANNUAL CHARGE.

£170,000—Entitled to 5 per cent. per annum (termed “5 per Cent. Preference Stock”), until such time as the Company exercise their right to redeem the amount at par. If the whole is not redeemed at one operation, the Stock to be liquidated must be settled by lot; four months’ notice must be given, after a Special Meeting has been called. The ultimate annual charge will be £8,500: as, however, but £152,542 had been called up to 31st January, the present charge is £7,627

97,458—Entitled to $4\frac{1}{2}$ per cent. per annum, the right to redeem at par lodging in the Company, precisely as in the case of the 5 per cents. above described; termed “New Preference $4\frac{1}{2}$ per Cents.,” in shares of £8 6s. 8d. each. The ultimate annual charge will probably exceed the sum stated by a small amount 4,386

Total Preference £12,013

The unguaranteed Capital of this Company amounts to
 £1,020,000, on which dividends at the rate of $5\frac{1}{2}$
 per cent. were paid out of profits on the year to 31st
 January, 1858, or £56,100

At the meeting of the Proprietors held 26th March, 1858, the
 Directors were empowered to raise £30,000 further Preference
 Stock.

SCOTTISH NORTH EASTERN RAILWAY.

This Company is constituted of the "Aberdeen" and of the
 "Scottish Midland" Companies, the terms of the amalgamation
 being, that each of the separate bodies shall bear the engagements
 it incurred prior to the junction, the joint profit being divisible thus,
 70 per cent. to the Aberdeen, 30 per cent. to the Scottish Midland.
 But one management exists, the two Companies for all practical
 purposes having become one since the amalgamation.

ABERDEEN SECTION.

The engagements which were incurred by the late Aberdeen Com-
 pany prior to the amalgamation, are as follow :—

GUARANTEE.

ANNUAL CHARGE.

Arbroath and Forfar Railway.—Leased in perpetuity at a
 fixed annual rental of £12,093 7s. 6d., and
 half surplus profits ; the total charge on the
 year to 31st January amounted, owing to
 surplus profits, to £13,181

PREFERENCE.

£76,065—" Debenture Stock," entitled to 4 per cent. per
 annum in perpetuity £1,521
 £276,667—Entitled to 6 per cent. per annum in perpetuity ;
 termed " Guaranteed 6 per cent. Stock " . . 16,600
 Carried forward £17,121
 o 2

Brought forward	£17,121
£150,000—Entitled to 7 per cent. per annum in perpetuity; termed “Guaranteed 7 per Cent. Stock”	10,500
71,022—Entitled to $3\frac{1}{2}$ per cent. per annum in perpetuity; termed “ $3\frac{1}{2}$ per Cent. Preference Stock, Act 1853”	2,486
Total Preference, until 1860, £31,107	

NOTE.—The whole of the above described Stocks are dividend bearing, and received their full interest for the half-year to 31st January, 1858.

63,651—Entitled to $3\frac{1}{2}$ per cent. per annum in perpetuity; termed “ $3\frac{1}{2}$ per Cent. Preference Stock, Act 1853.” The interest is to commence from 1st February, 1860, which is the only difference between the two “ $3\frac{1}{2}$ per Cents. ;” the rights otherwise are equal, the former having been created to cover the arrears which had arisen on the 6 per Cents., the latter covering those which existed to 31st January, 1858, on the 7 per Cents. The issue was authorised at the meeting held 19th March, 1858	2,228
Total Preference, from 1860, £33,335	

The unguaranteed Aberdeen Capital amounts to £830,000,
on which no dividend has been paid from profits.
The Scottish Midland have no Guaranteed or Pre-
ference Stocks whatever.

SHEFFIELD, ROTHERHAM, BARNLEY, WAKEFIELD, HUDDERSFIELD, AND GOOLE RAILWAY.

This line is leased to the Lancashire and Yorkshire Company, at a rental of £13,000 per year. The Capital is £260,050, on which a dividend at the rate of 5 per cent. per annum was declared on the half year to 31st December, 1858. This rate of division could not,

however, be kept up, if the Company should maintain an independent existence, the cost of management eating a handsome hole into the amount of rent paid.

A Bill is before Parliament this Session (1858) to extinguish the Company, and to convert the Capital into "Lancashire and Yorkshire (Barnsley Purchase) Stock," with a guaranteed dividend at the rate of £5 3s. 10d. per cent. per annum. It need not be said, that such a Stock would command a superior position in the market to any thing the existing Stock could ever attain.

SHEFFIELD AND ROTHERHAM RAILWAY.

This line has been leased in perpetuity to the Midland Company, on a guarantee of 6 per cent. (net £9,000 per year) on the Capital ; the right to participate in new shares attaches.

The Capital of this Company exists in £150,000 Stock, and the whole undertaking having merged into the Midland, the latter Company manages everything connected with the payment of dividends, &c. (*See MIDLAND.*)

SHREWSBURY AND BIRMINGHAM, AND SHREWSBURY AND CHESTER RAILWAYS.

These Companies have merged into the Great Western Railway Company. Their respective Stocks will be found in the Share Lists under the head "Great Western." For particulars of these Stocks, see GREAT WESTERN. Their order of right to participate in profits is equal, the Preference Stocks taking precedence of the Great Western 5 per Cents., the Ordinary Stocks afterwards.

SHREWSBURY AND HEREFORD RAILWAY.

This Company has incurred the following obligation :—

PREFERENCE.

ANNUAL
CHARGE.

£50,000—Entitled to $4\frac{1}{2}$ per cent. per annum in perpetuity ; shares of £10 each. The ultimate charge will be £2,250 per year : as, however, only £46,270 have been issued and received, the present charge amounts to	£2,082
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The unguaranteed Capital, as per the accounts to 31st December, 1857, amounts to £371,700. The Line is under lease to Mr. Brassey until 30th June, 1862, and from the Directors' Report (the end of 1857) it appears that the rent paid for the half-year amounted to £12,435, an amount sufficient to meet the Debenture and Preference engagements, and to pay a dividend of 4 per cent. per annum to the original shareholder. Under the terms of the lease, from the end of June, 1858, the Company divide with the lessee all surplus profits made beyond the rent stipulated for. The half-year's traffic to 31st December, 1856, amounted to £38,845, and for the same period to 31st December, 1857, to £41,593. No account of working expenses is rendered £7,434

SHROPSHIRE UNION RAILWAY AND CANAL.

This undertaking is leased to the London and North Western Railway Company, at a rent equivalent to one-half the rate per cent. declared on the lessees' original stock. The Capital is £1,552,564, and exists as Consolidated Stock. (*See LONDON AND NORTH WESTERN.*)

SOMERSET CENTRAL RAILWAY.

The Bristol and Exeter Railway Company has leased this Line for seven years, from August, 1854, paying £3,800 annual rent.

The Somerset Central Company derives independent income from the Glastonbury Canal and Docks, which they purchased from the Bristol and Exeter Railway Company.

The Share Capital amounts to £170,000, raised in £20 shares.

The Bristol and Exeter Company have the right to purchase reserved to them, on terms which, if carried out within the period of the lease, have been pre-arranged.

SOUTHAMPTON DOCK.

This Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£68,500—Entitled to 6 per cent. in perpetuity ; is termed “ 6 per Cent. Preference Stock ”	£4,110
50,000—Entitled to 5 per cent. in perpetuity ; is termed “ 5 per Cent. Preference Stock	2,500
35,000—Entitled to 5 per cent. in perpetuity. This stock was authorised at the meeting 24th February, 1858	1,750
Total Preference	<u>£8,360</u>

The unguaranteed Capital amounts to £360,725, on which dividends at the rate of 4 per cent. per annum were paid out of the profits of 1857. The amount required for this purpose was £14,429.

SOUTH DEVON RAILWAY.

This Company has entered into a provisional engagement with the Dartmouth and Torbay Railway Company, to work that Company's

Line for seven years from the opening throughout, the working rate to be 55 per cent. when the line is opened to Paignton, 45 per cent. to Churston Ferrers, and 40 per cent. when completed to Dartmouth. They likewise agree to allow 4 per cent. per annum for possible station, and other extra outlay on a maximum sum of £5,000.

The Company has also undertaken to lease the South Devon and Tavistock Railway, on terms which may be treated as constituting a *certain* annual minimum charge on the South Devon of £3,275 per year.

The South Devon is also joint guarantee with the Great Western and the Bristol and Exeter Companies of the interest (5 per cent.) on £300,000 raised by the Cornwall Railway Company. The charge is a possible one only, and to the extent of $\frac{7}{18}$ ths of the total interest, or £5,833 per year.

The South Devon Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£80,165—"Debenture Stock," entitled to 4 per cent. per annum in perpetuity	£3,206
20,282—"South Devon Annuities of 10s."	10,141
100,000—Entitled to $4\frac{1}{2}$ per cent. per annum in perpetuity; exists in shares of £10 each	4,500
Total positive charges	£17,847
270,120—Entitled to 5 per cent. per annum till 1st March, 1865, and $4\frac{1}{2}$ per cent. in perpetuity afterwards. The stock was authorised to be issued to the extent of £100,000 at a meeting held 9th July, 1857; it is believed that about 3,500 only of the shares (£10 each) were taken up. The ultimate annual charge on the whole £270,120 will be £13,506, at the 5 per cent. rate, and £12,155 at the $4\frac{1}{2}$ per cent. rate. Assuming the authorised £100,000 to be taken up, the annual charge (to be reduced £500 per year at the $4\frac{1}{2}$ per cent. rate) from 1st December, 1858, when all should be paid up, will be	5,000
Total	<u>£22,847</u>

The unguaranteed Capital amounts to £1,469,425, to be increased to £1,569,231 when all is called up. Dividends were paid out of the profits of 1857, calculated on the above paid-up Capital, equal to £1 13s. 2½d. per cent., or £24,401

SOUTH EASTERN RAILWAY.

This Company has incurred the following obligations :—

GUARANTEES.	ANNUAL CHARGE.
London and Greenwich Railway—Leased at a rental of	£45,000
Deptford Creek Bridge—	915
Angerstein Railway—	780
	<u>£46,695</u>
PREFERENCE.	
£1,000,000—"Debenture 4 per Cent. Perpetual Preference," the ultimate annual charge on which will be £40,000 : as, however, but £4,900 was received to 31st January, 1858, the present charge is.	£196
800,000—"Reading Annuities" (See READING AND REIGATE)	41,000
481,300—Entitled to 4½ per cent. in perpetuity—described in the Company's Capital account as "Guaranteed 4½ per Cent. Stock."	21,658
250,000—Entitled to 4½ per cent. in perpetuity ; termed, "Fixed 4½ per Cents."	11,250
253,000—Entitled to 4½ per cent. in perpetuity ; termed, "New Fixed 4½ per Cents." Of this amount but £160,380 was issued on 31st January, 1858. The ultimate annual charge will be £11,385 ; the present charge is	7,217
	<u>£81,321</u>

The original Capital is £7,433,700, on which dividends at the rate of £3 16s. 8d. per cent. were paid out of the year's profits to 31st January, 1858, or . . . £284,958

This Company has a Bill before Parliament this Session (1858) to lease the Mid-Kent Railway, at a rental equal to $3\frac{1}{2}$ per cent. on £80,000 (£2,600 per year), for the year 1859, and 4 per cent., or £3,200 per year, afterwards. The rent never to be less than the 4 per cent., but to increase step by step with, as the South Eastern Dividend exceeds 5 per cent.

The sanction of Parliament being required, the charge cannot be stated as a "Guarantee." The agreement is provisional only.

SOUTH STAFFORDSHIRE RAILWAY.

The following is as correct a statement of the Share Capital of this Company as the accounts, as rendered, permit :—

£941,767—A Share Capital, in Shares of £12 each.

305,115—Loans.

22,382—B Share Capital, in Shares of £10 each.

In Slaughter's "Railway Intelligence" the authorised A Capital is stated at £945,000—the B Capital at £127,000—Loans, £308,385.

The original (A) Line was let to Mr. M'Lean until August, 1871, the terms being now $4\frac{1}{2}$ per cent. on £945,000, and interest on any further capital; also £600 for management. The lessee possesses the right to waive the lease (on giving six months' notice) in August, 1858 and 1864. Subsequently Mr. M'Lean has leased, at 5 per cent. on their cost, the Cannock and Norton, and the Durlaston and Tipton branches, the former of which is now opened. This portion of the engagement continues, but the original South Staffordshire Line has been sub-let to the London and North Western till 1871, at $4\frac{1}{2}$ per cent., and for ninety-nine years afterwards at 4 per cent., the Company's plant being taken at a valuation, and interest at 5 per cent. per annum paid on its estimated value.

Taking the A Capital as represented above, the London and North Western, irrespective of the 5 per cent. on the value of the plant, will have to pay $4\frac{1}{2}$ per cent. on £1,250,115 (£56,255) and £600 for direction, &c.—£56,855 per year.

Taking the B Capital as £127,000, Mr. McLean, when the branch lines are completed, will have to pay £6,350 per year.

If the London and North Western withdraw from the engagement at any period within the limits of the lease, $4\frac{1}{2}$ per cent. is to be the rate paid to the time of withdrawal.

SOUTH WALES RAILWAY.

This Company has incurred the following obligations :—

PREFERENCE.

ANNUAL CHARGE.

£167,800—4 per cent. Perpetual Stock, with the right in the holder to exchange for unguaranteed stock at any time before 22nd July, 1860 ; termed “4 per Cent. Preference Stock”	£6,712
310,032— $4\frac{1}{2}$ per cent. Perpetual Stock, possessing a like right to convert as the previously described 4 per cent.; termed “ $4\frac{1}{2}$ per Cent. Preference Stock”	13,951
277,292—Entitled to 5 per cent. until 27th February, 1862, and further till the Company redeem the Stock after that date at par, the holder having the option to exchange into the unguaranteed Stock at his pleasure ; termed “5 per Cent. Redeemable £20 Shares”	13,865
Total Preference	<u>£34,528</u>

The unguaranteed Stock on 31st December, 1857, amounted to £2,452,974, and out of the profits of that year, dividends were declared, averaging £3 7s. 6d. per cent., or £82,788

Owing to Chancery proceedings, the December dividend cannot be paid, nor any subsequent dividend, until a certain branch line to Pembroke is completed.

This Line is leased in perpetuity to the Great Western Company, on terms which now give to the South Wales Company, in exchange for one-third of the nett profits, £46,000 per year, *certain*.

SOUTH YORKSHIRE RAILWAY AND RIVER DUN.

This Company has incurred the following obligation :—

PREFERENCE.	ANNUAL CHARGE.
£434,761—Entitled to 4 per cent. per annum in perpetuity ; termed “4 per Cent. Guaranteed Shares of £20 each.”	£17,390

The unguaranteed paid-up Capital on the 31st Dec., 1857, amounted to £653,857, on which a dividend was then declared at the rate of $3\frac{1}{2}$ per cent. The amount required to meet this is £11,443. On 30th June, £7,234 were divided ; the total amount, therefore, paid as dividend in 1857 (a fraction over 3 per cent.) is £18,677

STAMFORD AND ESSENDINE RAILWAY.

This Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£10,000—Entitled to 5 per cent. per annum for ten years from the issue, after which time the Company have the power to pay the amount off at par, or to reduce the interest to 4 per cent in perpetuity (£25 Shares)	£500
20,000—Entitled to 5 per cent. per annum for ten years from February, 1858, the same right of paying off at par, or of reducing the interest to 4 per cent., being reserved as in the previous issue (£25 Shares)	1,000
Total Preference	£1,500

The Line is in course of formation, and the unguaranteed Capital is believed to be £50,000.

ST. HELEN'S CANAL AND RAILWAY.

This Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£144,000—Entitled to 5 per cent. per annum in perpetuity ; is termed “ B Stock ”	£7,200
158,400—Entitled to 6 per cent. per annum in perpetuity ; is termed “ C Stock ”	9,504
120,000—Entitled to $4\frac{1}{2}$ per cent. per annum, and the right to waive the Preference and become an ordinary stockholder if notified before 2nd August, 1859, the Company having the power on its side to redeem at par any stock not so converted at any time afterwards' on one year's notice; is termed “ D Stock ” .	5,400
72,300—Entitled to $4\frac{1}{2}$ per cent. per annum, with the same rights in the holders and the Company, except that 1860 is the year in place of 1859 ; exists in shares of £20 each, and termed “ E Shares ”	3,253
47,717—Entitled to 6 per cent. per annum, with the same rights in the holders and the Company as with the E Shares, the period being 1860 ; exists in shares of £20 each ; termed “ F Shares ”	2,863
Total present Preference	
	<u>£28,220</u>
100,000—Created 9th February, 1853, with the right to 5 per cent. per annum up to 1st February, 1863, and thereafter, until the Company redeem the amount at £5 per cent. premium, which they will, on one year's notice, have the right to do	£5,000

The unguaranteed Capital which received dividends out of the profits realised in the year 1857, amounted to £316,800, the rate being 2 per cent., or . . . £6,336

This Company and the Manchester and Sheffield have made arrangements with the Warrington and Stockport Railway Company, which see.

STIRLING AND DUNFERMLINE RAILWAY.

This Line has been leased in perpetuity to the Edinburgh and Glasgow Company, on a guaranteed dividend of £4 per cent. per annum (£18,000), on a Share Capital fixed at £450,000.

This Company maintains an existence independent of the Edinburgh and Glasgow Railway Company ; its Capital is represented by—

£450,000, in shares of £15 each. (*See EDINBURGH AND GLASGOW.*)

STIRLINGSHIRE AND MIDLAND JUNCTION RAILWAY.

This Line is leased in perpetuity to the Edinburgh and Glasgow Railway Company, at a rental equal to $5\frac{1}{2}$ per cent. per annum, (£8,250), on £150,000 Capital.

This Company maintains an existence independent of the Edinburgh and Glasgow Company ; its Capital is represented by £150,000, in Shares of £20 each. (*See EDINBURGH AND GLASGOW.*)

STOCKTON AND DARLINGTON RAILWAY.

This Company has incurred the following obligations :—

PREFERENCE.

£450,000—Entitled to 5 per cent. per annum in perpetuity.

This stock, with consent of all other interests, constitutes the first charge on profits, after

ANNUAL CHARGE.

the Debentures. The ultimate charge will be £22,500 per year. The shares are of £25 each, and termed "Preference A Shares." The amount paid up on 31st December, 1857, was £427,558, the present charge therefore is £21,378

Wear Valley Railway.—This Line is leased in perpetuity, and owing to the prosperous condition of the lessee Company is practically guaranteed 6 per cent. per annum on the Share Capital (£783,950). The interest on the Loan Debt (not exceeding £40,000), has also to be provided for. On the last half-year of 1857 the interest paid amounted to £953 (£1,906 per year). The total annual charge therefore is . 48,943

Middlesbro' and Redcar Railway.—This Line also is leased in perpetuity, and practically is guaranteed 6 per cent. on a Share Capital of £66,000, the interest on loans (not over a total of £22,000) has also to be met. On the last half-year of 1857, the interest paid amounted to £448 (£896 per year). The total annual charge therefore is 4,856

Middlesbro' and Guisbro' *—This Line is leased also in perpetuity at 6 per cent. per annum on a Capital of 96,000, and the interest on the Loan Debt. The bare rent per year would be £5,760, the sum however which was paid in the half-year to 31st December, was £3,022, the annual charge must therefore be at least 6,044

Carried forward £81,221

* The Stockton and Darlington Accounts would be much improved if they gave more detailed information than they confessedly do. The accounts to the end of 1857 have payments made for one thing so blended with others, which should themselves be rendered separately, as to make them impossible to comprehend. The Middlesbro' and Guisbro', and the Darlington and Barnard Castle payments are not to be found as such in the accounts. The data on which the calculations affecting those lines are based were obtained from Mr. Slaughter, the able Secretary of the Railways Department of the Stock Exchange. A railway which pays ten per cent. can surely afford to be explicit.

Brought forward £81,221

Darlington and Barnard Castle Railway.—This Line likewise has been leased in perpetuity at 5 per cent. until 1859, and 6 per cent. afterwards. The Company's accounts contain no particulars; the precise state of things can therefore only be estimated. The amount which was paid over to this Company on the last half-year was £3,654, which at the 5 per cent. rate represents a Capital of £146,160. If these figures are correct, the annual charge from 1859 will be £8,770. The present charge, guided by the last half-year's payment, is . . . 7,308

Total £88,529

The unguaranteed Capital to 31st December, 1857, amounted to £643,501. Dividends at the rate of 10 per cent. were paid. The total sum which was so paid amounted to £60,003

The Stockton and Darlington Company, with the approval of all interests, is before Parliament this Session (1858), to amalgamate all the Lessor Companies with it, each interest being duly protected.

STRATFORD AND AVON CANAL.

This undertaking has been leased by the Oxford, Worcester, and Wolverhampton Railway Company.

The Capital is believed to amount to £147,704, and the annual rent to £7,250.

STRATFORD AND MORETON RAILWAY.

This line has been leased in perpetuity by the Oxford, Worcester, and Wolverhampton Railway Company, at an annual charge of £2,500.

The particulars of the Capital cannot be given.

TAFV VALE RAILWAY.

This Company has incurred the following obligations :—

GUARANTEE.

ANNUAL CHARGE.

Aberdare Railway.—Leased to this Company at 10 per cent.
on £50,000, and the interest on the Debenture
Debt, which latter will vary ; the amount for
1857 was £745 £5,745

PREFERENCE.

£165,000—Entitled to 5 per cent. per annum, and to share
in surplus profits, in perpetuity. This Stock
received 8 per cent. in 1857 ; the certain
annual charge is (No. 1 Stock) £6,750

66,000—Entitled to 5 per cent. per annum until 31st
December, 1860, when, if not renewed for a
further period, will be paid off at par. “Pre-
ference 5 per Cent. Stock” 3,300

66,000—Entitled to $4\frac{1}{2}$ per cent. per annum until 31st
December, 1860, when, if not renewed for a
further period, will be paid off at par. “Pre-
ference $4\frac{1}{2}$ per Cent. Stock” 2,970

Total Preference £13,020

The unguaranteed Capital amounts to £645,200, £42,690
of which is in course of payment. Dividends at the
rate of 8 per cent. were paid out of the profits of
1857 on the Capital then entitled, which included
Preference Stock No. 1 (£165,000). The total sum
divided, free of Income Tax, amounted to £53,020

WARRINGTON AND STOCKPORT RAILWAY.

This Line is under arrangements of lease with the Manchester,
Sheffield, and Lincolnshire and the St. Helen's Railway Companies on

the following terms :—To receive $3\frac{1}{2}$ per cent. in 1858, and to increase a half per cent. per annum until it reaches 5 per cent. on all the Capital (£325,968). The lessees to pay the interest on all borrowed Capital, and to have the option of purchasing the shares at any time by paying a bonus of 10 per cent. The interest to be free of all deductions, except Income Tax.

The London and North Western Company, it is understood, will interfere to prevent this arrangement taking effect.

This Company's Capital is represented by £273,778, of which £171,518 has been raised in shares of £10 each. The Company are before Parliament for powers to raise an amount which will bring their ultimate Capital to the lease total. The traffic on the year 1857 showed a profit of £1,191, but no dividend.

WATERFORD AND KILKENNY RAILWAY.

This Company stands indebted to the Exchequer Loan Commissioners, as per the accounts, to 29th September, 1857, in the sum of £101,718, and an under pledge to them to repay the same by annual instalments up to 1869, of £9,994, after which period £3,258 per year. This constitutes a first and peremptory charge on the railway, which has been seized, and may be sold.

The Company has incurred the following share obligation :—

PREFERENCE.

ANNUAL CHARGE.

<p>£197,428—Entitled to 6 per cent. per annum, but is redeemable at par on 12 months' notice ; exists in the shape of "Stock." It is evident that the amount will be increased for the purposes of the Exchequer Loan payments ; the present amount is that stated, and the charge (no dividend has been paid from profits) . . .</p>	<p>£11,846</p>
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The unguaranteed Stock amounts to £249,983, on which no dividend has been paid. The amount carried forward to credit of 1858 (25th March) is £3,740—The annual interest charge on account of the Government and Debenture Debts is £6,277.

WATERFORD AND LIMERICK RAILWAY.

This Company has incurred the following obligations :—

PREFERENCE.

ANNUAL CHARGE.

£247,950—Entitled to 5 per cent. in perpetuity, should the Company not redeem the amount at par at the expiry of 10 years, or of 20 years from the dates of issue, one further year's licence being allowed in each case. The periods of issue appear to have been two, August, 1850, and 1852. In shares of £50 each . . . £12,397

33,908—Entitled to 6 per cent. in perpetuity, subject to the Company's right to redeem the amount in 5 or 10 years from the period of issue, 15th August, 1855. In shares of £10 each . . . 2,034

Total Preference £14,421

The unguaranteed Capital amounts to £493,625, on which no dividend was declared, the balance to credit (£3,988) on 31st December, 1857, having been carried forward. The Preference dividends paid on the half-year amounted to £6,887.

WEST-END OF LONDON AND CRYSTAL PALACE RAILWAY.

This Company has incurred the following obligation :—

PREFERENCE.

ANNUAL CHARGE.

£112,500—Entitled to 6 per cent. per annum, after the B shares have been satisfied. The ultimate charge will be £6,750 per year. The accounts to 31st December, 1857, show £67,200 as received, the present charge therefore is . . . £4,032

The unguaranteed Capital, including £51,500 for the Bromley and Farnborough Extension Line, amounted, as per the accounts, to 31st December, 1857, to £394,540; the B proportion can only be estimated at £180,000.

This Line is worked by the London and Brighton Company, on terms which will at the least produce £8,000 per year net to this Company. An arrangement has also been made with the Crystal Palace Company, by which a *gross* sum of £12,600 per year shall be assured from Crystal Palace passengers. The Brighton Company work the Line, deducting $42\frac{1}{2}$ per cent. from the gross earnings for costs. This Company is to derive certain agreed advantages from the Brighton Company's own traffic, which may pass from or over their Line.

WEST FLANDERS RAILWAY.

This Company has incurred the following obligation :—

PREFERENCE.

ANNUAL CHARGE.

£140,130—Entitled to $5\frac{1}{2}$ per cent. per annum until the year 1902, when the Preference will cease, and the shares become unguaranteed. All profits beyond 5 per cent. on the whole Capital to be divided rateably with this Stock. The shares are £10 each £7,700

The original (dividend) Capital amounts to £234,123, on which dividends were paid from the profits of the year 1857, equal to £2 11s. 5d. per cent. (2s. 6d. and 3s. 6d.) per share, or £8,361

The Belgian Government are bound up to the year 1902 to make up £16,000 per year to this Company on certain branch lines, if the profits on them do not realise that amount. The sum paid over on this account on the year to 31st December, 1857, was £18,227, the excess, doubtless, arising from previous arrears.

WEST HARTLEPOOL HARBOUR AND RAILWAY.

This Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£143,600—Entitled to $5\frac{1}{2}$ per cent. in perpetuity . . .	£7,898
31,090—Entitled to 4 per cent. The Company holds the right to redeem the stock at any time at par ; the holders have, however, the power reserved to them to take the Company's stock if they should prefer to do so rather than money ; or they may take part in stock and part in money	1,244
102,480—Entitled to 6 per cent., subject to the same conditions and rights as the previously described 4 per cent. Stock (A Stock) . . .	6,134
95,640—Entitled to 5 per cent., subject to the same conditions and rights as the two preceding Stocks (B Stock)	4,782
139,500—Entitled to 5 per cent., subject to the same conditions and rights as the foregoing A and B and 4 per cent. Stocks	6,975
34,262—Entitled to 4 per cent. in perpetuity, part of £500,000 which was created to redeem all the foregoing Stocks except the $5\frac{1}{2}$ per Cents., and to clear off so much of the Mortgage Debt as the excess difference would allow. The ultimate charge will be £20,000 per year, and the annual saving nearly £5,800 per year. The present charge is	1,370
Total Preference	<u>£28,403</u>

The unguaranteed Capital is £815,853, on which dividends out of the profits of 1857 were paid, or £34,674

WEST LONDON RAILWAY.

This Company's Railway has been leased to the London and North Western Railway Company in perpetuity, at an annual rental of £1,800. The West London Company are proprietors of the Kensington Canal.

The West London Company have incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£64,000—Entitled to $2\frac{1}{2}$ per cent. per annum, or 10s. per £20 share. “First Class Preference” . . .	£1,600
15,200—Entitled to 5 per cent. per annum. “Second Class Preference”.	760
	<u>£2,360</u>

Owing to the accumulation of arrears on the First Class Shares, no dividend has yet been paid on the £15,200 Second Class. Both engagements are perpetual, and, as a matter of fact, but not of hope, it may be stated that each class takes right to rateable dividend with the Share Capital (£109,880). The Kensington Canal produced a profit return on the half-year to 31st December, 1857, of £362.

WHITEHAVEN AND FURNESS JUNCTION RAILWAY.

This Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£37,000—Entitled to $5\frac{1}{2}$ per cent., subject to the Company's right to redeem at par on 26th August, 1863. The right to $5\frac{1}{2}$ per cent. is limited to one year's income, the succeeding year not being liable for the inability of the preceding year to meet the engagement; termed “£10 Pre- ference Shares.”	

£70,000—Entitled to $5\frac{1}{2}$ per cent. on the same terms and conditions as the previous £37,000 ; termed “ New £10 Preference Shares.”

£107,000

The ultimate annual charge on the whole £107,000 will be £5,885 : as, however, on the 31st December, 1857, but £50,920 had been paid up, the present charge is . . . £2,799

The unguaranteed Capital amounts to £227,206, on which a first dividend was paid out of the half-year's profits to 31st December, 1857, of $\frac{1}{2}$ per cent. (1 per cent. per annum), amounting to £1,136.

WHITEHAVEN JUNCTION RAILWAY.

This Company has incurred the following obligations :—

PREFERENCE.	ANNUAL CHARGE.
£25,000—Entitled to 6 per cent. per annum in perpetuity. “ 6 per cent. Preference £5 Shares.” . . .	£1,500
7,000—Entitled to $4\frac{1}{2}$ per cent. per annum until 31st December, 1861, and in perpetuity afterwards, if the Company do not redeem the amount on 1st January, 1862. “ $4\frac{1}{2}$ per Cent. Preference £10 Shares ”	315
£10,000—Entitled to 5 per cent. per annum, until redeemed at par, or converted by the holders into unguaranteed Stock. The right to convert to be exercised within the six months' notice the Company are bound to give before they redeem. “ 5 per Cent. Preference £10 Shares ” . . .	500
3,000—Entitled to 5 per cent. per annum in perpetuity. “ 5 per Cent. Preference £6 Shares ” . . .	150
	<u>Total £2,465</u>

The unguaranteed Capital amounts to £100,000; on which a dividend of $3\frac{1}{2}$ per cent. was paid out of the profits of 1857, equal to £3,500

WILTS, SOMERSET, AND WEYMOUTH RAILWAY.

This Line has been sold to the Great Western Company, who have guaranteed 4 per cent. per annum to the shareholders on the Capital subscribed by them (£829,200); and further, when the Great Western shall divide more than 8 per cent., one-half such excess dividend is secured also to the Wilts proprietors. The Company have the privilege of participating in all new issues of Great Western shares. The Great Western issue the dividend warrants, and conduct all the Company's business. (*See GREAT WESTERN.*)

The Capital is represented in the share lists as £1,500,000 Stock, of which the Great Western Company themselves hold a large portion :— (*See GREAT WESTERN.*)

WIMBLEDON AND CROYDON RAILWAY.

The London and Brighton Railway Company, subject to Parliamentary approval, have leased this Line, paying an annual rent of £1,820, which is equivalent to 4 per cent. on the Capital, £45,500 (raised in £10 shares). The lease dates from 18th July, 1856. The London and South Western have been permitted to become parties to the lease.

The London and Brighton Company are before Parliament this Session (1858), for powers to purchase this line, or to lease it.

WISHAW AND COLTNESS RAILWAY.

This Line is leased to the Caledonian Company, in perpetuity, at a guaranteed rental of $7\frac{7}{8}$ per cent. per annum (£18,900), on the Capital of £240,000.

This Company maintains an existence independent of the Caledonian.

Its Capital exists as :—

£240,000, in shares of £25 each. (*See CALEDONIAN.*)

WITHAM NAVIGATION.

This undertaking has been taken by the Great Northern Railway Company, at an annual rent-charge of £10,545, together with the interest on the mortgage debt of the Company.

The particulars of the Capital cannot be given.

WORCESTER AND BIRMINGHAM CANAL.

This undertaking has been leased by the Oxford, Worcester and Wolverhampton Railway Company, on terms which shall assure £1 per share every year to each Canal share, to advance, however, as the Railway prospers, until £2 per share be reached, which sum is to be the maximum paid.

The Canal Capital comprises 6,000 shares of £78 8s. each (£470,400). The certain rent will be £6,000 per year, from which, if no deduction is made for office management, the return on the Capital would be 25s. 6d. per cent. per annum.

WYCOMBE RAILWAY.

This Line has been leased to the Great Western Railway Company, at a fixed annual rental of £3,600 on the first Capital. The Wycombe Company having obtained an Act to extend the Line to Thame, a further arrangement has been made, of which the following are the heads, as per the Directors' Report of 28th February, 1858 :—

“The receipts of the Extension Line to be applied in payment of interest on debentures to the extent of £40,000, and the remainder to be divided :—

“60 per cent. to the Great Western Company for working expenses.

“40 per cent. to the Wycombe Company for rent of the Extension Line.

“In addition to which, the gross receipts on the present Wycombe Line, in excess of £7,200 per annum, are to be appropriated so as to make a 4 per cent. dividend on the whole Share Capital (both Original and Extension) of the Wycombe Company.

“The Agreement also contains a provision securing exclusively to the holders of the original Share Capital and Debenture holders the rent of £3,600 per annum, paid to them under the present lease, leaving to the holders of the New Capital the above-mentioned surplus earnings of the original Line until the dividend on both Capitals is equal, when all further revenue will be rateably divided.”

This Company's Capital exists in Shares of £10 each, on which (6,056 shares) a dividend of 3s. per share, out of the balance of the half-year's rent, was paid on the half-year to 31st December, 1857. The *net* rent paid was £1,747 10s., of which £648 10s. were absorbed by interest on loans and rent-charges. The amount paid as dividend was £908 ; the Capital, £60,560 ; the rate a fraction under 3 per cent. per annum.

The Extension Capital the Directors have authority to issue as Preference Shares, with such interest assured as they may see fit to attach.

In Chancery.

HENRY AND OTHERS

v.

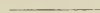
THE GREAT NORTHERN RAILWAY COMPANY
AND OTHERS.



BEFORE THE
LORD CHANCELLOR AND THE LORDS JUSTICES,
ON APPEAL.

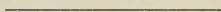


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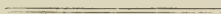


Counsel for the Plaintiffs.—MR. DANIEL, Q.C., MR. CAIRNS, Q.C., MR. SPEED,
MR. E. R. TURNER.

Counsel for the Defendants.—MR. ATTORNEY-GENERAL, MR. ROLT, Q.C., MR.
DENISON, Q.C., MR. ROCHFORD CLARKE.



Saturday, 21st November, 1857.



JUDGMENT.

THE LORD CHANCELLOR.—The question in this case turns upon the construction of the several Acts of Parliament relating to this Company. There are, in truth, no facts in dispute. The Company was constituted by Act of Parliament in the year 1846; the works of the Railway were proceeded with in the ordinary way. Calls were made and sums paid up; but in, and previously to, the year 1849, a large amount of Shares had been forfeited for non-payment of the Calls. In consequence of that, the Directors made a Report, previously to the meeting on 7th June, 1849, in which they recommended that there should be issued in lieu of the forfeited Shares, the number of which was then stated to be 26,000 (the Shares being of £25 each), two Scrip Shares of £12 10s. each, and that each of these £12 10s. Scrip Shares should have credit for £2 10s., as a

deposit paid thereon, and should bear interest or preference dividend at the rate of 5 per centum per annum in perpetuity. Then there was a recommendation as to the mode in which these new Shares should be allotted and apportioned among the Ordinary Shareholders.

An Extraordinary Meeting took place, in consequence of this Report, on the 7th June, 1849, and at that Meeting a Resolution was come to, "That the forfeiture of the 26,534 Shares be, and hereby is confirmed ;" and it was resolved, "that they be sold or otherwise disposed of by cancelling, at the discretion of the Directors. That in lieu of, and to the amount of Capital represented by the Great Northern £25 Shares, of which the forfeiture has been confirmed by this Meeting, there be issued, upon the terms and conditions recommended by the Directors to this meeting, Scrip Shares of £12 10s. each, bearing 5 per cent. interest, or preference dividend in perpetuity." That was the proceeding at the Meeting. It was doubted whether that could be lawfully done without the sanction of Parliament—probably it could not.

At that time an Act of Parliament was pending for extending the works of the Company, and that Act received the Royal Assent on the 1st of August, 1849 ; and it is described as "An Act to amend the Acts relating to the Great Northern Railway, and to make a Diversion of such Railway at Bentley-with-Arksey, in the West Riding of Yorkshire, and to enlarge the Boston, Lincoln, and London Stations of such Railway." Several objects were in view by that Act of Parliament, and by the 25th and 26th sections it was enacted as follows :—"That in any case in which it shall happen that the market price of Shares which may be forfeited for non-payment of Calls shall be such as to render it impossible for the Company to sell the same so as to realise a sum equal to the arrears of Calls due upon the same, it shall be lawful for the Company to cancel the same Shares, and to issue so many new Shares, and of such nominal amount as they may think fit ; provided the Capital to be represented by such new Shares shall not in the whole exceed the Capital represented by the unpaid portion of the Shares which shall be so cancelled ; and any such cancelling of forfeited Shares and issue of new Shares since the 5th day of June last, in accordance with this provision, are hereby confirmed." The 5th of June is the date mentioned there ; the Meeting seems to have been on the 7th of June, but of course that would extend to make valid what was done on the 7th.

Then the 26th section is, "That it shall be lawful for the Company,

with the assent of three-fifths of the Votes at any General Meeting to guarantee the payment of Dividends, not exceeding in any case seven per centum per annum, on any particular Shares which the Company may, by any of the before-recited Acts, be authorised to issue, in preference to the payment thereof on the ordinary Shares of the Company, and upon such terms as shall be by the Resolution of such Meeting defined ; Provided always, that any Preference Shares, which shall have been already issued by the Company, shall have a preference or priority of dividend over the Shares so guaranteed as aforesaid, and all Preference Shares shall have priority of dividend, according to the date at which such Share shall have been issued." That proviso, I may observe, is said to have been introduced (and no doubt is correctly said to have been introduced), merely *ex majori cautela*, and, in pursuance of a rule always acted upon in the Houses of Parliament, viz., to introduce that sort of proviso lest *per incuriam* the Legislature should, by giving preference to Preference Shareholders, be doing injustice to persons who might have already acquired rights by way of preference.

In pursuance of that Resolution and that Act of Parliament, a number of Shares were issued in conformity with what had been so sanctioned. That was the first issue of those *Preference* Shares. I am obliged to use that word : I observe that it was called in the course of the argument "Preferential" Shares. I do not know that there is any such word. These Shares, to a large amount, were issued, in pursuance of that resolution and that Act of Parliament, but this Company, like most other Railway Companies, from time to time found it necessary to raise more funds, and several other Acts of Parliament were passed from time to time, sanctioning the issue of further Shares, by way of Preference, not exactly in the same terms as had been sanctioned by the Act of 1849 ; but I will at once say, it appears to me, having substantially exactly the same meaning. In the year 1851, by an Act of Parliament which received the Royal Assent on the 3rd of July in that year, it was enacted by the 5th section, "It shall be lawful for the Company, with the assent of three-fifths of the Votes at any General Meeting specially convened for that purpose, to guarantee the payment of Dividends not exceeding in any case seven per centum per annum on the Shares which the Company are hereby authorised to issue, and also on the Shares which they are authorised to issue under 'The Leeds Central Railway Station Act, 1848,' in preference to the payment of Dividends on the ordinary

Shares of the Company, and upon such terms as shall be by the Resolution of such Meeting defined; Provided (*the same provision as before*) that such preference or priority shall not prejudice" any previous issue.

So again, in that same year, three weeks afterwards, by an Act of Parliament, that received the Royal Assent on the 24th July, 1851, there was in the same way power to issue further Shares.

Then again, on the 28th June, 1853, an Act of Parliament received the Royal Assent, in which there was this enactment. Further Capital was authorised to be raised, and by the 12th section it was enacted "The Capital so to be raised shall be divided into Shares of £10 each, and shall bear and receive Dividends at the rate of £4 10s. per centum per annum, in preference to the payment of Dividends on the ordinary Shares of the Company," subject to a power of redemption there pointed out. Then there was the same proviso to protect existing and previous rights of preference.

Then again, on the 2nd of July, 1855, another Act of Parliament received the Royal Assent, authorising the raising of further Capital, and it was then enacted, "That the holders of the said Shares shall be entitled to the payment of *fixed dividends* thereon, or on so much thereof as may from time to time be paid up, at the rate of 5 per centum per annum, in preference to the payment of Dividends on the ordinary Shares," with a similar proviso, saving the rights of of prior Shareholders by way of preference.

In pursuance of all these Acts of Parliament, from time to time, these Preference Shares, if they are to be so called, were issued, to the amount in all, taking in all the different Acts of Parliament (and it is not necessary to state it with complete accuracy), of about three millions of money. The form of the Certificates which were issued, and which were given to the Shareholders, was not exactly the same in all the cases, but I think pretty nearly substantially having the same meaning. The first that were issued under the Act of 1849 were issued in this form:—

The Great Northern Railway Company.

Incorporated 9 & 10 Vict. c. 71, 26th June, 1846.

£ 5 per Cent. Perpetual Preference Stock, issued under the provisions
of "The Great Northern Railway Acts Amendment Act, 1849."

Register, No.	{ Folio	{ Mr.	{ £
	{	{	{

Is Proprietor of this Stock Certificate, No.

185

Those that were issued under the two Acts of 1851, were thus :—

The Great Northern Railway Company.

Incorporated 9 & 10 Vict. c. 71, 26th June, 1846.

£ 5 per Cent. Redeemable Preference Stock issued under the provisions of "The Great Northern Railway Acts Amendment Act, No. 1, 1851."

Then the next was :—

4½ per Cent. Redeemable Preference Stock, issued under the provisions of "The Great Northern Railway Company's Increase of Capital Act, 1853."

Then the last was :—

The Great Northern Railway Company.

Incorporated 9 & 10 Vict. c. 71, 26th June, 1846.

Five per Cent. £12 10s. Preference Stock, Redeemable at 5 per Cent. Premium, created on the 12th Dec. 1854, under the authority of the Resolution of the Half-Yearly General Meeting of the 26th Aug. 1854, and confirmed by "The Great Northern Railway Act, 1855."

These Preference Stocks amounted altogether to a sum of between Three and Four Millions of money. The dividends on all these Preference Shares were regularly paid up to the 30th June, 1856. No dividend has been declared out of any profits realised since the 30th June, 1856.

The duty of the Directors, as to the declaration of a dividend, is defined by the 120th section of the Companies Clauses Act, and it is this :—

"Previously to every Ordinary Meeting at which a dividend is intended to be declared, the Directors shall cause a Scheme to be prepared, showing the profits, if any, of the Company for the period current since the preceding Ordinary Meeting at which a dividend was declared, and apportioning the same, or so much thereof, as they may consider applicable to the purposes of dividend among the Shareholders, according to the Shares held by them respectively, the amount paid thereon, and the periods during which the same may have been paid, and shall exhibit such Scheme at such Ordinary Meeting, and at such Meeting a dividend may be declared according to such Scheme."

That is the section which defines the duty of the Directors with regard to the declaration of dividend. Ordinarily, the dividends in this Company have been declared half-yearly, in respect of the profits, realised up to the 30th of June and the 31st December in every year. On the 31st December, 1856, there was a sum of £243,923 5s. 8d.

of realised profits, which would have been divisible in dividends, but for the circumstances which have given rise to this litigation. I allude to the frauds of Redpath, one of the officers of the Company. Before any division of this large half-yearly accumulated profit of £243,000, it was discovered that frauds to an enormous amount had been perpetrated by Redpath, who had, by a long-continued system of forgeries, created fictitious Stock in the books of the Company, to an amount of above £221,000, and this fictitious Stock had been so transferred and mixed up with other genuine Stock as to have become incapable of separation, or at least to have been considered so to have become. The Directors were therefore unable to proceed in the manner pointed out by the Statute for enabling the Shareholders to declare a dividend. No dividend could be declared on the fictitious Stock; and it was impossible to say which Stock was genuine and which was fraudulent.

In this dilemma the Directors applied to Parliament to cut the knot, and they obtained, in the last Session of Parliament, an Act intituled "An Act to make Provision with respect to Capital fraudulently created in the *Great Northern and East Lincolnshire Railway Companies*." By the 1st section of the Act the fictitious Stock and Shares were declared to be valid, and the holders thereof were declared to have all the rights and privileges which attached to the Stock legally created. But, as this would have the effect of unduly increasing the amount of the Capital, it is provided by section 2, that the Directors shall apply the £243,000 in purchasing up a quantity of Stock equivalent to that which had been fraudulently created by Redpath, and in otherwise making good the losses occasioned by his frauds. The effect of that was, that there was no longer any fund divisible for profits accrued in the period from 30th of June, 1856, to 31st of December, 1856; but in the next half year (that is, the half-year ending the 30th of June, 1857), a further sum has been realised for division, amounting to £200,000, or thereabouts.

What, then, is the duty of the Directors in respect of this sum? That depends on the same 120th section of the Companies Clauses Consolidation Act, to which I have already referred. I will not, therefore, read it again. The Directors are, by the express provisions of this clause, bound to prepare a Scheme, apportioning the sum realised among all the Shareholders, according to their respective rights. The profits to be apportioned are, by the express terms of the section, the profits for the period current since the last preceding declaration of

dividend. If that period is half a year, then half a year's dividend would be due. If a whole year, then a whole year's would be due. In the present case the period is a whole year; and, therefore, the Shareholders are entitled to a whole year's dividend, unless there is something in the Act of last Session to interfere with that right. I can discover nothing of the sort in that Act. The first section, as I have already stated, legalises the fictitious Stock. The second section directs an appropriation of the sum realised for profits up to 31st December, 1856, which, but for such direction, could not have been made.

These provisions, certainly, do not touch the question as to how the profits to be apportioned after June, 1856, should be applied; but the argument of the Appellants, so far as it rested on the effect of the Statute, was founded mainly on the third section.

By that section it is enacted, "If any balance shall remain of the said sum" (that is, the said sum of £243,000), "and of the said moneys after such application thereof as hereinbefore directed" (that is, the application of it in purchasing Stock and clearing off Redpath's frauds), "it shall be lawful for the Directors, and they are hereby required to apply such balance, so far as the same will extend, in paying to the Proprietors of the several classes of Preference Stock or Shares, the Dividends to which they would have been entitled out of the said sum of £243,923 5s. 8d., if the same had been declared and apportioned as dividend at the said Half-Yearly Meeting of the 12th day of March, 1857: Provided always, that all the Proprietors of each class of Preference Stock or Shares shall receive their dividends according to the priority of the said class, and in preference to any subsequent class: Provided also, that if the balance remaining after payment of the dividend to preceding classes of Stock or Shares, is not sufficient to pay the whole amount of the dividend to the next subsequent class, such balance shall be divided rateably among all the Proprietors of the same class of Stock or Shares, according to the amount of the same held by them respectively."

It was contended, that the effect of that section, either alone or together with the others, is, to confine the right of the holders of privileged Shares, so far as relates to profits accrued between the 30th of June and the 31st of December, 1856, to the balance, if any, of the £243,000, which should remain after making good Redpath's frauds. But, what foundation is there for such an argument? I will not say that such an enactment would, in my view, have been unjust. The whole Act was a compromise rendered, or supposed to

be rendered, necessary by Redpath's frauds ; and if, therefore, the Legislature had said in express terms, that the future declarations of dividend were to be made as if the £243,000 had been applied in satisfaction of the profits accrued for the half-year next following the 30th of June, 1856, and that the future profits should be deemed to be profits accruing, not according to the 120th section of the General Act, for the period current since the last declaration of profits, but for the period since the 31st of December, 1856, then there would have been good ground for the argument of the Appellants.

But I do not so construe the Act ; and if I am right in assuming that, irrespective of the Act, the Duty of the Directors would, on the next declaration of dividend, be to apportion the sum then divisible as a sum representing the profits for the period current since June, 1856, which would give the privileged Shareholders a right to a year's dividend, that right cannot be taken from them, unless an intention to deprive them of it is positively stated, or is clearly deducible from the language of the Legislature. I do not so construe the clause in question. It merely provides that the balance, if any, of the £243,000 shall go, as the whole would have gone if there had been no default. The object of the Act was to give validity to the Shares fraudulently created, and to enable the Directors to apply the existing fund in restoring the Capital to its proper amount. What would be the amount required for such a purpose was uncertain. It might not be so large as to exhaust the whole of the £243,000. It was therefore necessary to enact how the surplus, if any, should be applied. If there should be no surplus, then the funds of the Company would be dealt with as if no divisible fund had existed on the 31st December, 1856, and the consequence would be that the next division of profit would be made on the fund realised since the 30th June, 1856. The only effect of the 3rd section is, to authorise the application of a particular balance, if any should exist, in the same way as if it had been appropriated for division by a regular vote of a General Meeting.

The clause does not say that for all purposes it is to be deemed that an apportionment of profits had been made by the Resolution of the 12th March, 1857. The Legislature contemplated the possibility of a surplus, and therefore provided for its application, if any should exist. If there should be no surplus, then the 3rd section may be struck out of the Act, and it is impossible to suppose that the Legislature meant that the right of the Preference Shareholder should

depend on the accident of whether there should or should not be a surplus—a matter which could not be ascertained till possibly a very distant day.

I think it clear, therefore, that there is nothing in the Act of last Session to interfere with the right of the Preference Shareholder to receive a year's dividend out of the sum ascertained by the Directors to be the amount of profit applicable to dividend since the last declaration of dividend in respect of profits which accrued up to the 30th June, 1856. It is from that date that the dividend is to be declared, and the sum out of which the dividend is to be declared is more than sufficient to produce the full amount of the dividends payable to the holders of the privileged Shares, and this is all that practically concerns the parties in this litigation.

But the Decree goes further. It declares "that the Plaintiffs respectively, and the other holders of Preference Stock in the Great Northern Railway Company, on whose behalf they respectively sue, are entitled to be paid dividends out of the profits realised by the Company on the amount of Preference Stock held by them respectively, from the 30th day of June, 1856, according to the amount of dividends which the said several classes of Preference Stock respectively carry before any payment in respect of dividends or otherwise is made to any of the holders of original Ordinary Stock, A. Stock and B. Stock in the said Company, or any of such Stocks, out of such profits. And it is ordered, that a perpetual Injunction be awarded to restrain the Defendants, the Great Northern Railway Company, from declaring any dividend on the original Ordinary Stock, A. Stock and B. Stock, in the said Company, or any of such Stocks, or any part thereof respectively, without regard to the rights of the Plaintiffs respectively, and the other holders of Preference Stock on whose behalf they respectively sue, to be paid in priority the full amount of the dividends payable upon or in respect of the Preference Stock held by them respectively, to be computed from the 30th day of June, 1856, and from making or causing to be made any payment for dividend or otherwise to any of the holders of original Ordinary Stock, A. Stock and B. Stock, in the said Company, or any of such Stocks, without first paying or providing for the payment to the Plaintiffs respectively, and the several other holders of Preference Stock in the Company, on whose behalf they respectively sue, of the full amount of the dividends payable upon or in respect of the Preference Stock held by them respectively, to be computed from the 30th day of June, 1856."

It is necessary, therefore, for us to say whether that declaration, and the consequential direction, are right. In other words, whether, if the sum to be divided, at any period of distribution, is insufficient to pay in full the dividends due to the holders of Preference Shares, they are entitled on the next declaration of dividend to receive the arrears unpaid as well as the new dividend? The Vice-Chancellor decided in the affirmative; and, after much consideration, I think he correctly so decided.

The difficulty arises from the want of a specific and distinct definition as to the extent of the rights conferred on each particular class of Shareholders by way of preference. The Plaintiffs say, the right of a Shareholder, who is entitled to a dividend by way of preference, is to receive his dividend out of all profits from time to time accruing and to carry over his demand for any unpaid arrears to all subsequent divisions of profits. The Defendants say, he has no right upon any fund, save that actually under distribution, and, if that fund is insufficient to satisfy him, he has no claim on any subsequent profits. The expression "Preference Share," or "Preferential Dividend," is equivocal. It by no means clearly indicates what are the rights of those to whom it applies. I do not think it can fairly be said to be an inaccurate expression, whichever of the two constructions be put upon it. All that the language fairly imports is, that *some* preference is given to the persons to whom the language applies. How far the preference is to extend must be ascertained by other media than the mere expression itself.

It was argued that the word "dividend" must be taken, *ex vi termini*, to apply merely to one fund to be divided, and that it could not in its true meaning be extended to any fund afterwards to be brought into division. But it must be observed that the word "dividend," as used in this and similar cases, is never used with strict accuracy, if strict accuracy depends upon its primary meaning. The word "*dividend*," if we look to its derivation, means obviously the fund to be divided, not the share of any particular partner or person in that fund, and strict language would require us to speak, not of the dividend which each Shareholder is entitled to receive, but of his *aliquot portion of the dividend*. This, however, is rather a verbal or grammatical than a substantial discussion, and I advert to it only for the purpose of showing, that in construing the clauses in these Acts, which give to certain Shareholders, in preference to others, rights to dividends, we must construe the word "dividend" in a secondary

sense, and not according to its strict original meaning. And, acting on this view of the case, I have come to the conclusion, that what these Statutes, in fact, guarantee to the favoured Shareholders is, a charge on all accruing profits at the stipulated rate, before anything is divided among the Ordinary Shareholders. This is, substantially, *interest* chargeable exclusively on profits. There is nothing in such a use of the word "dividend" which is at all at variance with ordinary usage; we speak of the *dividends* payable on the 3 per cents., when in truth we mean no more than an annuity of £3, chargeable upon and payable out of the public revenue.

But the strong ground on which I rest in support of this construction is, that on any contrary hypothesis the Legislature would not unfrequently place the interest of the Directors in conflict with the duty they owe to the Shareholders. Thus, before the Directors propose a fund to be apportioned by way of dividend among the Shareholders, they may and ought to set apart any sum which they may think reasonable to meet contingencies, or to enable them to enlarge or improve the works. It is expressly provided by the 122nd section of the Companies Clauses Act,—“Before apportioning the profits to be divided among the Shareholders, the Directors may, if they think fit, set aside thereout such sum as they may think proper to meet contingencies, or for enlarging, repairing or improving the Works connected with the undertaking or any part thereof, and may divide the balance only among the Shareholders.” It is obvious that the question, what amount it may be reasonable to set apart for such a purpose, must often be one of great nicety; and in deciding it the Directors may have to determine whether the fund retained may or may not be so large as to make the divisible surplus insufficient to pay the privileged Shareholders in full. The consequence of such an appropriation may be to deprive them of a portion of their dividend, and, on the other hand, materially to increase the next half-year's dividend, so as to leave a large surplus for the General Ordinary Shareholders. If the loss on the former dividend is not to be carried on and made good out of the next apportionment, it is obvious that the relative rights of the different classes of Shareholders may depend on the discretion of the Directors—a state of things which the Legislature could hardly have intended. If the Directors are, as probably they will be, Ordinary Shareholders, they will have an interest so from time to time to set aside portions of their funds for the benefit of the Company in the next half-year, as to prevent the Preference Share-

holders from receiving a dividend in full, and they will thus create a larger fund for division on the next occasion, the entire benefit of which, on the argument of the Appellants, will accrue to the benefit of the Ordinary Shareholders.

I am aware that it will always be the duty of the Directors to fix the amount of the fund to be retained with reference to the general interest of all classes of Shareholders, and not to favour any one class at the expense of the other. But when I see that on one construction of these Acts the Legislature will have given to the Directors an interest in opposition to their duty, and that on the other construction they will not have done so, I am led strongly to believe that the latter is the sounder interpretation.

The same reasoning is also applicable to the duty of the Directors under section 120. There is no time fixed at which dividends are to be declared, and if at the end of any particular half-year the fund for division should be little more than nominal, prudence would, or might, lead the Directors to postpone the taking of any step towards the declaring of a dividend until a subsequent period. But if, by declaring a dividend when the fund is merely nominal, the claim of the Preference Shareholder is cleared up to the time of the distribution, it is obviously the interest of the Ordinary Shareholders that such a declaration should be made. So that here, too, the interest of the Directors as Ordinary Shareholders may be in conflict with the duty they have to perform towards all persons interested, including the Preference Shareholders.

These anomalies are all avoided if we hold that the preference given by these Statutes confers a right to receive dividends at the stipulated rates, attaching not only on the profits accrued when the dividend is declared, but, if they are insufficient, then on subsequent profits. On such a construction, which the language well justifies, there can be no inducement to the Directors, either unduly to set aside funds for enlarging the works with a view to future profit, or to propose a dividend when there is no substantial fund for distribution. The rights of those entitled to preference will be effectually secured, and the interests of the Directors cannot be brought in constant conflict with their duties.

I therefore concur with Vice-Chancellor Wood in the conclusion at which he arrived ; namely, that if on the declaration of a dividend the fund to be divided should be insufficient to satisfy the claim of the Shareholders entitled to preference, those Shareholders will be

entitled to be paid in full out of all subsequent dividends before the Ordinary Shareholders can receive anything—a view of the case which fully justifies the terms of the Decree.

I must add, however, that, even if this had not been so, the right of the holders of the Preference Shares to receive their dividends of all the profits accrued for the period current since the Ordinary Meeting at which the dividend was declared of the profits up to the 30th of June, 1856, appears to me to admit of no doubt.

I am therefore of opinion that the present Appeal, having entirely failed, ought to be dismissed with costs.

THE LORD JUSTICE KNIGHT BRUCE.—The Appellants in this cause are the Defendants, contending that the decree under appeal gives the Plaintiffs undue protection, and ascribes to them rights not belonging to them. The hearing of the suit before Vice-Chancellor Wood occupied, we are told, not quite two days; here it consumed more than three:—a quantity of time disproportioned, I think, to the nature of the contest.

The case supposed, and to be assumed, is that of a dividend, fairly and properly declared, out of the profits or net income, or upon the profits or net income, of the Great Northern Railway Company, in respect of the time between two specified periods, but a dividend, not sufficient to pay in respect of that time the Preference Stockholders the full amount of their respective *minimum* per centage (a word, not perhaps English, but intelligible). As, for instance, a dividend, declared at Lady-day, 1856, for the time between that and the preceding Michaelmas, which does not give a Stockholder of £10,000, entitled to preference to the extent of 5 per cent. per annum, so much as £250. In such circumstances the Defendants contend that, in respect of all profits and dividends subsequent to Lady-day, 1856, the Preference Stockholder must, as between himself and the Ordinary Shareholder, stand in the same position and be considered to have merely the same rights as if the Lady-day dividend had given him £250 instead of a sum less than £250. I think this proposition not maintainable, and am of opinion—clearly of opinion—that, according to the true meaning of the Acts of Parliament, Resolutions, and Certificates, creating the title of the Plaintiffs and the other persons on whose behalf they are here, the Ordinary Shareholders are not entitled

to any dividend or share of profits in respect of any time or period until payment, or provision made for paying to the Preference Stockholders the full amount of their *minimum* dividend severally in respect not only of the same time or period, but also of all antecedent time—for example, until, in the instance supposed, the difference between the former dividend of the £10,000 Preference Stockholder, and the £250 shall independently of any other dividend have been made good to him. The phraseology of the Statutes, Reports, and Certificates, not very expanded as concerns the matter in contest, may be open to grammatical, or philological, or conveyancing cavil, or indeed criticism; but, compared with that of some compositions which the courts of justice of this country are expected to construe, is of absolute accuracy, and perspicuous clearness. I lay no stress against the Defendants, though probably stress might well, in favour of the Plaintiffs, be laid on the grossly unjust consequences likely, if not certain, to follow, an adoption of the Defendants' construction. Not any such consideration is, I think, requisite for ascribing to the language of the Acts, Reports, Resolutions, and Certificates, a force adverse to the Appeal. If, indeed, intention were made subservient to words, and not words to intention, there might perhaps be something to be said for the Ordinary Shareholders, but I do not know that even such a wide departure from the principles of jurisprudence would help them. The expressions, "5 per Cent. Perpetual," "5 per Cent. Redeemable," "4½ per Cent. Redeemable," and "5 per Cent. £12 10s. Preference," in the Certificates, must of course be read in conjunction with the Acts of Parliament and Resolutions which authorise them respectively, and be understood as if in each case the words "*per Annum*" had been inserted immediately after the word "*Cent.*" or "*Centum.*" Of this there can be no doubt.

The word "*dividend*" carries no spell with it. Applicable to various subjects, it is not intelligible without knowing the matter to which it is meant as referring, and, of course, where there is a context, it is liable to be affected by that context. But the Defendants' gloss upon it seems to me arbitrary and fanciful. The word, as used in the places in which we have now to deal with it, means, I apprehend, *share of profits*. Nor can I discover any necessity, authority, or reason, for limiting and restricting the effect of the word *preference*, as the Defendants require it to be. The expression, where we have to construe it, seems to me correctly used in a large and general sense, as between or amongst the Stockholders and Shareholders in respect of

time and profits. A. and B. and C. are partners in a trade, each having contributed an equal share of capital, but they agree that out of the profits 5 per cent. per annum shall preferably, and in the first instance, be paid to A. on his portion of the capital. The division of profits between them is agreed to be, and is, periodically made; but at one of the periodical divisions the profits fall short of sufficiency to pay this amount to A., from the time to which, out of the profits, his interest had been previously paid. Is the deficiency not afterwards to be made good to him out of the profits when more than adequate to answer it? I have heard no reason why not. If, indeed, such a thing is prohibited by the terms of the contract, they must be abided by. Is there any such prohibition in the present instance? As it seems to me, clearly not.

A part of the argument for the Defendants having been illustrated by the figure of the filling of a cup, I may be excused for suggesting another case. Let us suppose a right to have a tun of wine from a vineyard—is that the same as the right to have a tun of wine from a *vintage*? I do not think so. In the former case, the deficiency of an earlier, might have to be supplied by a later, vintage—not so, probably, in the other. Here, as I apprehend, the Plaintiffs have the *vineyard*, and not merely the chance of a particular *vintage* to look to.

In what I have been saying I have disregarded, nor meant to refer to, the statute of the present year, except as by the 1st section it enacts thus:—"All Stock, of whatever description, and all Shares in the Great Northern and East Lincolnshire Railway Companies respectively, appearing upon the Registers of Stock and Shares of the same Companies respectively, on the 31st day of January and the 31st day of March, 1857, respectively (when the said Registers were respectively last closed), are hereby declared to be valid, and to entitle the holders thereof to all the rights, privileges, and advantages, and to subject the holders thereof to all the duties and liabilities which attach to the same Stock or Shares, or which would attach to the same if they had been all legally created and issued under the authority of the Acts relating to the said Companies respectively."

This section, in my judgment, must be considered both retrospective and prospective as to its effect. But then comes the question, if question it should be called, as to the effect on the Plaintiffs' rights of the 2nd and 3rd sections of the Act of the last Session; and it is, in my judgment, plain that, as between the Plaintiffs and the Ordinary

Shareholders, the Legislature meant by those sections to leave, and did leave, the Plaintiffs, with respect to their rights under the 1st section and the former Statutes and their Contracts, in the same position as if the profits represented by the sum of £243,923 5s. 8d., mentioned in 2nd section, had not existed or had been originally less, by the amount of such portion of that sum as should be abstracted by force of that section. This the Vice-Chancellor has perhaps better expressed in the last declaration of his Decree in these words :—
 “This Court doth declare that, according to the true construction of the 3rd section of The Great Northern Railway Company (Capital) Act, 1857, the remedy thereby given to the Preference Shareholders is cumulative, and by way of security to them for the amount of their dividend, and not in substitution of such dividend.” I adopt that declaration, and though not because, yet not the less willingly because, the claim of the Defendants to support their Appeal upon the ground—the alleged ground—that the Act of 1857 is fatal to the suit, even though independently of that Act the Plaintiffs would have been entitled to succeed, is one which could not, in my opinion, be sustained, without casting much discredit, not only on those who prepared and conducted the Bill of 1857, but on both Houses of Parliament also. I do not think such an imputation deserved by either House of Parliament or by the promoters of the Bill, especially the Defendants’ Solicitor, Mr. Leech, who, having had him under my observation professionally for more than twenty years, I consider to be an excellent man of business ; that is to say, a man of integrity, as well as of diligence, accuracy, and knowledge.

It may be, or is, superfluous to add, but I will nevertheless distinctly say that, independently of the statute of this year, the losses sustained by the Company through the frauds of their servant Redpath (whether any of those above him neglected, or did not neglect, their duty), were, in my judgment, most clearly losses, to be, as between the Preference Stockholders and the General Shareholders, borne wholly by the latter. Nor, perhaps, before parting with the cause, should I omit to observe, that the provisions mentioned in the argument which certain Acts of Parliament relating to other Companies have made respecting Preference Dividends, appear to me altogether immaterial for any present purpose, and that the statute of the 8th of the Queen, chapter 16, upon which, and especially the 66th, 90th, 91st, and 116th, and six following sections, much comment was bestowed at the Bar, though containing, probably, matter

favourable to the Plaintiffs, appears to me not to afford the least assistance or countenance to the Defendants' claim.

I think the whole Decree manifestly right, and the Appeal unreasonable.

THE LORD JUSTICE TURNER.—The question which we have to determine in this case is, whether the holders of the Preference Stock in this Company, who are represented by the Plaintiffs in this suit, are entitled, as against the holders of the Company's Ordinary Stock, to be paid out of the net revenue of the Company for the half-year ending the 30th of June, 1857, dividends upon their Preference Stock from the 30th of June, 1856, or from the 31st of December, 1856, only: the Plaintiffs (the holders of the Preference Stock) claiming their dividends from the former date; and the Defendants (who represent the holders of the Ordinary Stock) insisting they are only due from the latter date.

Upon the facts on which this question depends, there does not appear to be any dispute. It is admitted that the Company's net revenue for the half-year ending the 30th of June, 1857, is more than sufficient for the payment of the full amount of the dividends claimed by the holders of the Preference Stock, and the validity of that Stock is not disputed.

This question depends, as it seems to me, upon three points:—First, What were the rights which were attached to the Preference Shares (now converted into Stocks) under the Acts and Resolutions by which those Shares were created? Secondly, What were the rights belonging to the holders of these Stocks under the Companies Clauses Consolidation Act? And, thirdly, Whether the rights thus attached and belonging to these Stocks, have or have not been taken away by the Act of this Company, passed in the year 1857, in consequence of Redpath's frauds.

In order to determine the first of these questions, we must, of course, examine the constitution of these Shares, of which there are four classes. The first class was created in the year 1849. By the Act of that year it was enacted (by section 26), that "It should be lawful for the Company, with the assent of three-fifths of the votes at any General Meeting, to guarantee the payment of dividends not exceeding in any case 7 per-centum per annum on any particular

Shares which the Company might, by any of the thereinbefore-recited Acts, be authorised to issue, in preference to the payment thereof on the Ordinary Shares of the Company, and upon such terms as should be by the Resolution of such Meeting defined. And it was provided, that any Preference Shares which should have been already issued by the Company, should have a preference or a priority of dividend over the Shares so guaranteed as aforesaid, and all Preference Shares should have priority of dividend according to the date at which such Shares should have been issued."

In pursuance of this Act, Stock was issued, the Certificates of which purported that the holder was entitled to 5 per cent. Perpetual Preference Stock. How the case would have stood if it had rested upon these Certificates alone, I will not undertake to say. The Certificates plainly import, that the holders were entitled to Stock bearing 5 per cent. But whether 5 per cent. interest or 5 per cent. dividend; or, if 5 per cent. dividend, whether 5 per cent. dividend at certain periods or 5 per cent. dividend when a dividend should be made to other Shareholders, is not expressed upon the Certificates. On the one hand, the Certificates are issued by the Company, and form the inducement to the holders to take the Stock. They ought, therefore, as I think, to be construed in favour of the holders; and of course it must be more for the benefit of the holders to have 5 per cent. certain than 5 per cent. dependent upon a contingency. On the other hand, they are Certificates of Stock, and Stock carries *dividends* not *interest*; and "*dividends*," it is said, must be construed to be *portions of profit*, more especially when put in contrast with the Ordinary Dividend, as may be said to be the case here by force of the word "*Preference*." This was the difficulty to which I meant to refer in *Sturge v. The Eastern Union Railway Company*, which was mentioned in the argument, although the difficulty was not there so clearly put as it might have been, the passage referring to the subject being blended with observations on the Act which I then had under consideration, and which did not, or at all events did not prominently, present the difficulty. To say that my mind is altogether free from this difficulty now, would be going too far. I can go no further than to say, that I do not feel the difficulty now so strongly, as I felt it when that case was before me. I think more weight is due to the consideration, that these Certificates ought to be construed in favour of the holders, than I gave it in that case.

Returning, however, to the case before us, it cannot, I think, be

denied, that the language of these Certificates as to the 5 per cent. is equivocal, and we must therefore look to the context to explain it. Now, the Certificates refer to the Act of Parliament, and the Act of Parliament refers to the Resolutions. How, then, does the case stand upon the Act? The Act, as I understand it, empowers the Company to pledge itself to the payment of dividends, at a certain rate per cent. per annum, in priority to the ordinary dividends. It may, therefore, be admitted, that the Act refers to payments out of profits; but to what description of payments does it refer? To payments to be measured by time;—and, if the payments are to be so measured, how are they to be distinguished from *interest* to be paid out of the profits at certain periods? It cannot surely make any difference that they are denominated *dividends*.

Take, then, the Resolutions in connection with the Act. It appears that there were two issues of these Shares in the year 1849: one before the Act under the Resolution of the 7th of June, 1849; the other after the Act, under the Resolution confirming the Report of the 11th of August, 1849. But it appears that the Report, confirmed by the Resolution of the 11th of August, 1849, recommended, that the Shares to be created under it should be entitled to the same privileges as the Shares issued under the Resolution of the 7th of June, 1849; and both sets of Shares, therefore, were to stand upon the same footing, and to be governed by the Resolution of the 7th of June. Now, what was the purport of the Report on which that Resolution was founded? It seems to me to be clear, that the expression, "*Preference Dividends*," in that Report, was used in the sense of *Interest*. It was argued, indeed, for the Appellants, that the expression, "*Interest or Preference Dividend*," in that Report, meant, *interest* until the Shares were fully paid up, and *Preference Dividend* afterwards. But I am by no means satisfied of this, and, even supposing it to be so, there would still remain the question, what was meant by "*Preference Dividend*" after the Shares were paid up? The whole tenor of the Report shows, I think, that what was so meant was *interest*. It may further be observed as to the Shares created in 1849, that such of them as were created before the passing of the Act were, as I understand the Act, confirmed by the 25th section of it,—a section which it can hardly be doubted had reference to the Resolution of the 7th of June, as it confirms the Shares which had been issued since the 5th of June.

Passing, then, from the Shares issued in 1849, we come to the

Shares issued under the Act of 1851. I think it quite unnecessary, however, to enter into detail in the consideration of the question before us with respect to these Shares. The provisions of this Act of 1851, are in all material respects the same as the provisions of the Act of 1849, and there is no variance between the Certificates issued under the two Acts. It is sufficient to say, that the observations which I have already made as to the former Shares, so far as they relate to the Act and the Certificates, apply equally to these Shares.

Then, as to the Shares created under the Act of 1853,—the case of the Plaintiffs as to these Shares seems to me to be even stronger than their case as to the former Shares, for these Shares depend wholly upon the provisions of the Act under which they were created, and the Act is express, that the Shares *shall bear and receive* dividends at the rate of $4\frac{1}{2}$ per cent. per annum in preference to the payment of dividends on the Ordinary Shares.

And so, as to the Shares created under the Act of 1855, which enacts, that the holders of these Shares shall be entitled to *fixed dividends* at the rate of 5 per cent. per annum, in preference to the payment of dividends on the Ordinary Shares, with the modification only, that the title shall be subject to such conditions as shall be expressed at the time of the issue of the Shares, at which time it does not appear that any conditions were expressed.

It was argued on the part of the Appellants, with reference to all these Shares, that, from the relation in which the Preference and Ordinary Shareholders stand to each other, their relation being that of partners and not of debtor and creditor, the Preference Shareholders could be entitled to no other advantage over the Ordinary Shareholders than the priority of payment; but this consequence does not seem to me at all to follow from the relation of the parties. The position of the Preference Shareholders may, indeed, show, that what is payable to them must be payable out of profits; but I see no ground for saying, that it shows that what is payable to them is payable only out of the profits of the current year, or that it at all limits their demand against the profits. Their rights in those respects would depend, not upon the relation of the parties, but upon the terms on which that relation was constituted.

Reference was also made on the part of the Appellants to several other Acts of Parliament, from which it was sought to be inferred that the Legislature had assumed that Preference Shareholders were not entitled to back dividends. But the Acts referred to are later

in date than the Acts which we have had in this case to consider ; and, if these Acts give the right, it cannot, as I conceive, be taken away by inference to be deduced from later Acts. I have, however, thought it right to look into the Acts referred to, and I think the provisions on which the Appellants relied, may well be accounted for on other grounds.

Upon the whole, therefore, I am of opinion upon the first point, that there was attached to all these Preference Shares in their creation, a right to be paid out of the profits of the Company whenever those profits should accrue, before any payment to the holders of Ordinary Shares, the full amount of dividend at the rates mentioned in the Certificates from the times when such full payment had last been made.

Supposing, however, that this right did not attach to these Preference Shares in their creation, it would be necessary to consider how the rights of the holders of them would stand under the Companies Clauses Consolidation Act.

The Lord Chancellor has already read the 120th section of that Act, and it must be present to the mind of every body concerned in this case, and I shall not therefore read it again. By that section it is enacted, that wherever a dividend is intended to be made, the scheme to be prepared by the Directors is to show the profits from the period when the last dividend was made, and those profits are to be apportioned *according to the Shares*, which of course must mean, with reference to their *priority*, as well as in other respects ; for otherwise no dividend could, so far as I can see, ever be declared upon Preference Shares. The scheme for this dividend therefore was, to show the profits from June, 1856, when the last dividend was declared, and the profits to be apportioned by it were the profits from that period. How these profits were to be apportioned according to the Shares, having regard to the priority (to which, as I have observed, regard must be had), without the dividend for the whole year being apportioned to the Preference Shareholders, I have been wholly at a loss to understand.

Some argument was attempted to be raised on the other provisions of the Act, by which the accounts were to be made up half-yearly ; but the half-yearly account, and the scheme of dividends are perfectly distinct matters, and are so treated by the Act.

It was said, too, that there were no profits from June to December, 1856, for that Parliament had, by the Act of 1857, appropriated the

income during that period to other purposes ; and the argument was even carried so far as to contend that the Act of 1857 amounted to a legislative declaration of dividend. Suppose, however, that matters had proceeded in the regular course, and dividends had been declared half-yearly, and Parliament had, in any half-year, appropriated the income of a week or a month to some other purpose, could it have been contended that the remainder of the income was not divisible according to the Shares ? I think not. If the argument could not be maintained as to such a period as I have mentioned, I do not see how it can be good, as to any portion of the period for which the account is to be made up.

As to the argument on the legislative declaration of dividend, no more, I think, need be said than that nothing could, in my opinion, be more foreign to the purposes of the Act of 1857, than to impute such an intention to the Legislature.

I think, therefore, this point also must be decided against the Appellants.

There remains, then, only the question on the operation of the Act of 1857—whether it has taken away from the Preference Shareholders those rights which existed up to the moment of its being passed ? I am of opinion that it has not. After what has been already said on this subject, I shall say but a few words upon it. I take it to be a sound rule of construction, that certain rights are not to be taken away by uncertain words. The scope and purpose of this Act seem to me to be plain—to reduce the Capital of the Company within its proper limits—a purpose wholly foreign to the determination of any question between the Preference and the Ordinary Shareholders. If therefore the Legislature has done what the Appellants contend for, it has done so, not by any enactment designed for the purpose, but by the means which it has used for carrying into effect a different purpose. It has, indeed, taken away a fund which would have been applicable to the payment of the Preference Dividend, but the fund which it has taken away would also have been applicable to the payment of the Ordinary Dividend. It does not seem to me, therefore, that the mere fact of this fund having been resorted to, can furnish any inference in favour of the Ordinary Shareholders. The rights of the Preference Shareholders were both present and future ;—present, as to the fund, with which the Legislature dealt, and future, as to the profits which might afterwards accrue ; and I do not see how the fact of the present right of the Preference Shareholders having

been interfered with, can be taken to have destroyed their future right.

The Appellants therefore cannot, I think, maintain their case, either upon the general scope and purpose of the Act, or upon the particular fund having been resorted to in order to effectuate it.

It was said, however, on their part, that the misfortune which gave rise to the Act was a common misfortune, and that the Legislature intended that it should be borne in common. But the Act itself contradicts this theory; for the surplus which, according to this theory, was to go to the Preference Shareholders in lieu of their dividend, was to go to them according to their priorities, so that the loss would fall wholly on the lower classes of Preference Shareholders. Are we to impute to the Legislature this intention, that as between the Preference Shareholders themselves the whole loss should fall upon the lower classes; but that, as between the Preference Shareholders and the Ordinary Shareholders, the whole loss should not be borne by the Ordinary Shareholders?

Again, it was said for the Appellants, that Parliament must have intended to substitute the balance, which is disposed of by the 3rd section, for the full dividend, which would have been payable to the Preference Shareholders, for that otherwise the Preference Shareholders might be twice paid; and this argument was also pressed as bearing upon the second point by creating a difficulty in the apportionment to the Preference Shareholders from the uncertainty of what would be coming to them under this 3rd section. But how did this balance mentioned in this 3rd section arise? From a fund which was primarily applicable to the Preference Dividends. Is it to be inferred that the Legislature meant to take away other rights of the Preference Shareholders, because it gave back to them a fund to which they were originally entitled? And, as to the double payment to the Preference Shareholders and the suggested difficulty in the apportionment, of course the Preference Shareholders could not be twice paid. What, if anything, they had received under the 3rd section would be known to the Company, and would be deducted from what was apportioned to them for dividend.

Another argument on the part of the Appellants was that, except upon their construction of this Act, the third clause was unnecessary. But this argument assumes that there would of necessity be a surplus sufficient for the payment of all that was due to the Preference Shareholders, and this the Legislature cannot, I think, be taken to

have known ; and even if it did know, I do not think that the mere fact of its having secured the fund to those to whom it originally belonged, could justify us in adopting the inference for which the Appellants contend.

Upon these grounds, I am of opinion that the argument of the Appellants on this third point also is untenable, and I think this Appeal must be dismissed, and dismissed with costs.

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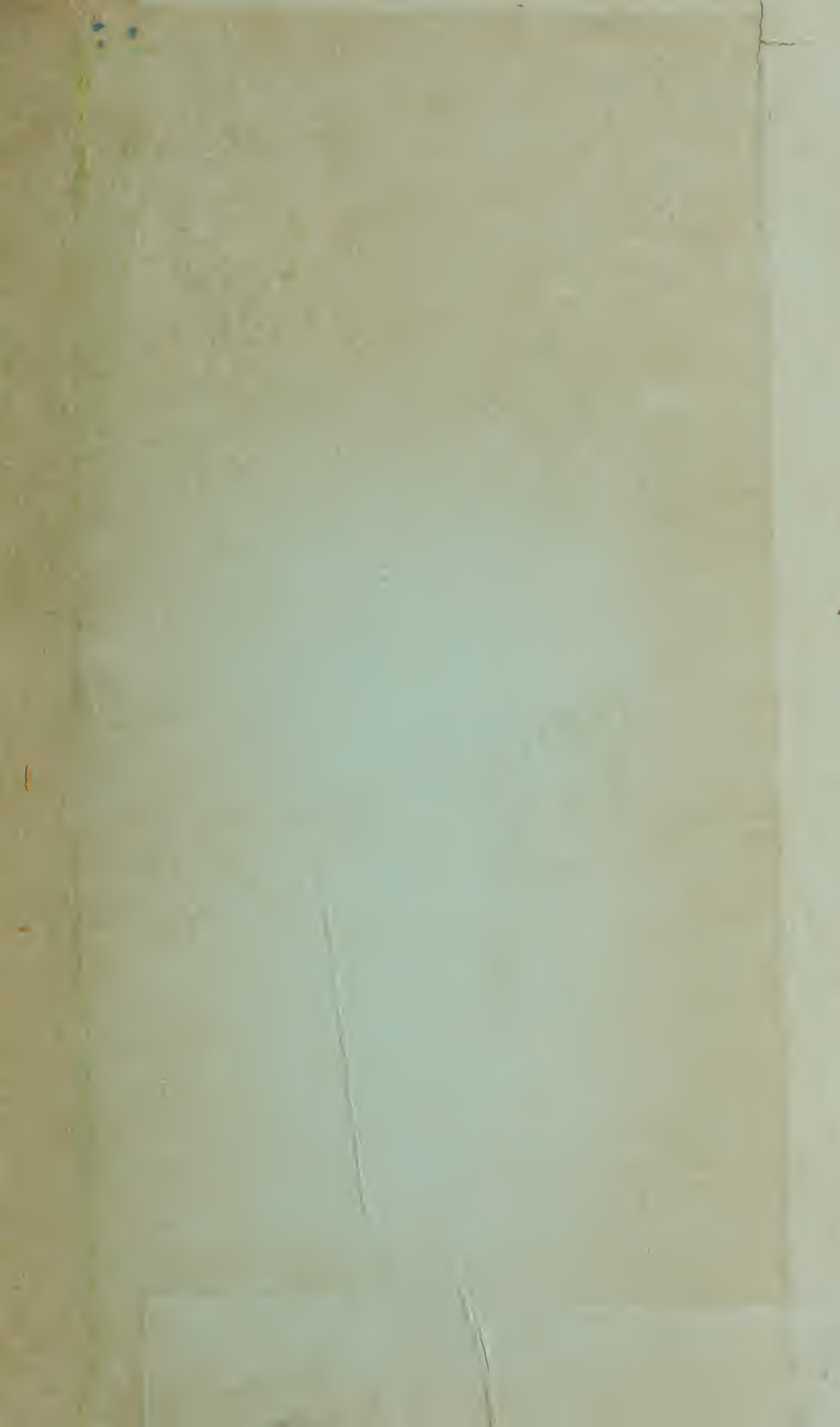


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